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# THEORY AND FACTS.

A complete review of the development of Canada  
under Protection.

## INTRODUCTION.

The protectionist politicians profess a great contempt for theories. A theory must be logical, and there can be no consistency in the argument of a protectionist. Listen to any of these monopoly taxers and try to summarize their argument. You will find that it runs something like this:—

A high tariff makes { Prices low,  
                                    { Wages high,  
at one and the same time, thus compelling the manufacturers

To { Pay out more money,  
      { Take in less money,  
than they would without a high tariff. And they conclude by contending that the manufacturers will all be ruined, unless this same high tariff

Which { Reduces their revenue,  
          { Increases their expenses,  
is maintained.

### A FATAL WANT OF LOGIC.

It is this fatal lack of logic to be found at the bottom of all their arguments which makes protectionists so averse to any attempt at systematic reasoning.

Their only hope of success is to confuse the public by a mass of incoherent details and half truths. When contradicted and proved to be in error on one point, they can always, by this system, cover their defeats by bringing forward some new assertion.

Thus, when forced to admit that their system is a tax on the consumer, they will plead that the consumer receives ample compensation in the form of higher wages; and if you have time to reply that high wages are a disadvantage to the manufacturer, they will pro-

bably tell you that the manufacturer gets compensation out of somebody else.

In public meetings time does not always permit a thorough discussion of these sophisms.

The object of this little book is to put in a concise form the theory and the facts concerning the leading issue now before the public. The theory is only a common sense view of things, the value of which every man may judge for himself. The facts consist mainly of statistics taken from the Canadian census, compiled by Conservatives, and arranged to favor the case of protection as much as possible. The perfect accord between theory and results, on every point, constitutes the most eloquent proof that a policy which scorns the law of common sense cannot be productive of anything but disorder, corruption and disaster.

### PROTECTION A TAX.

The government of any country is an aggregation of men who live at the expense of the people at large. The government has no revenue but that which it levies on the people. The men who administer public affairs are non-producers and have nothing to give but what they take from the nation.

That being true, when a government undertakes to subsidize, to protect or to extend privileges of any kind which will cause a particular industry to prosper, it must levy the value of that assistance from the people by means of taxation.

In the dark ages, when public opinion was an unknown expression, when kings ruled absolute by divine right, the governments did not take the trouble to disguise the privileges which they chose to

*part. 54 Pierre*

grant to their favorites. The right of exacting a tribute from the tillers of the soil, of collecting a tax on the salt of the people, or the monopoly of selling a certain article, was given or sold outright. In times of financial stringency, when the king wanted money badly, he made no scruples of issuing a decree increasing the value of his currency two or three-fold. It mattered little whether economists would have declared the royal orders to be "enormous taxation" or simply "confiscation."

But the people of to-day have the vanity of calling themselves free men. They have written it upon the statute books that all men are equal before the law, that all privileges are abolished, and that the people, through their representatives, have the sole right of taxing themselves. It has been solemnly declared by eloquent patriots, and the popular mind has become profoundly imbued with the idea, that these conditions are essential to the liberty and welfare of a nation.

It would not be wise for any politician to attack openly these notions of right and justice. Still, the race of parasites who are always found in the train of those in power, lives, and must be satisfied. Subsidies and bonuses have been given to them from time to time, but the people could easily control the amount thus taken from them.

It was necessary to find a system by which the people might be taxed for the benefit of the few, in such a way that they would become convinced that this taxation was essential to their prosperity, as the serfs of the middle ages believed that their lords were essential to the maintenance of the social peace and national greatness.

That system was discovered when the euphonious name of "protection" was ushered into the world. With what success it has been applied one has only to look around him to know.

But the secret of this success, it is equally obvious, has been due to popular indifference.

#### WHERE PROFITS COME FROM.

Let any man think for a moment and he will quickly find for himself that since the profits realized through protection by certain industries do not come out of the public chest they must come out of the pockets of the people.

The whole system of protection amounts to this: The government wishing to assist some particular industry, and knowing that public opinion will not consent to have the money necessary to do so taken from the public chest, gives to the promoters of that industry the power of levying a tax on Canadian consumers, by shutting out foreign competition.

No one denies that the object of protection is to restrict competition on the Canadian market by excluding foreign merchandise to a lesser or greater degree. That being admitted, every man knows that restriction of competition means increase of prices. Every man has had something to sell in his life-time, and he knows that he had a better chance of getting a good price for that commodity if he was the only man that had it for sale than if he had a half-dozen rivals seeking to sell the same goods.

When not busy defending some other point in their illogical system, protectionists will nevertheless deny that protection has the effect of increasing prices. They will argue that the effect of protection being to create new industries it follows that domestic competition is increased and that prices correspondingly decrease. In support of this theory it is customary to quote the price of a particular line of commodities years ago and to compare it with the price under a protection tariff.

The argument is contrary to the rules of common sense, because it stands to reason that the manufacturer can benefit from protection only to the extent that it increases the price of what he has to sell without increasing the cost of what he must buy. If protection does not increase the price of the manufacturer's product in a greater ratio than it increases the cost of production, it is not an advantage to those whom it is intended to benefit. The monopoly of the domestic market without an increase in prices would not be an advantage, because the Canadian manufacturer can enjoy that privilege without protection, so long as he can sell his goods on terms as advantageous as those offered by the foreign producer. He has always in his favor the cost of transportation, the speed of delivery and a more intimate knowledge of the needs of the country.

#### AS TO THE PRICES

which are quoted in support of the protectionist argument, they constitute a proof, the weakness of which is apparent. The tariff is not the only thing which regulates prices. The invention of labor saving machinery has contributed enormously to reduce the price of nearly all manufactured goods; the opening up of new sources of supply has likewise affected the price of agricultural and mineral products. European statisticians agree that the average value of one hundred leading commodities has fallen forty per cent. since 1873 in the world's market. Under such circumstances it would be surprising indeed if the price of many commodities had not actually decreased in Canada since 1873. The decrease has occurred as a rule despite protection.

which, by retarding this natural fall of prices, has produced a real increase comparatively with free trade prices.

#### WHEN PROTECTION OPERATES TO LOWER PRICES.

It is when it fails to attain its object. "For instance, in France," says Mr. Bastiat, a leading French economist, "to protect the farmer a law was passed imposing a duty of 22 per cent. upon imported wools, and the result has been that native wools have sold for much lower prices than before the passage of the law. In England a law in behalf of the consumers was passed exempting foreign wools from duty, and the consequence has been that native wools have sold higher than ever before."

In this case the decrease in the price of wool in France after the introduction of protection was due to the fact that the duty caused such embarrassment to the consumers that they largely ceased manufacturing. On the other hand, free wool was such an advantage to the manufacturers of Great Britain that their demand largely increased. Thus the experience in both cases is exactly in accordance with common sense. Such cheapness as protection can produce is the result of undue interference with industry, causing embarrassment and a diminution of demand, while the dearth which results from free trade bespeaks increased demand and a general augmentation of wealth.

But these exceptional cases do not affect the general rule that the nature of protection is to increase prices for the benefit of the manufacturer, at the expense of the consumer.

#### CANADA LEAST ABLE TO ADOPT PROTECTION.

No intelligent protectionist will deny that the larger the area, and the more numerous the population enclosed within the walls of a protective system, the less consequence it is how high the duties you may impose. A tariff of ten per cent. upon all the goods imported into a small village would be unbearable to the inhabitants, because nine-tenths of the articles consumed by them would be subject to the duty, as coming from outside the town's limits.

How is it with a country like the United States. Their varied climates, their extensively developed territory and their large population makes them independent of foreign countries to a much larger extent than Canada. As Mr. Plaine used to say, they enjoy the blessing of absolute free trade between forty-four states, and that helps them to bear the burden of protection.

Have Canadians who have viewed the evils of McKinleyism, unblinded by party prejudices, ever reflected that tariff taxation in Canada is greater than in the United States.

#### AMERICAN AND CANADIAN TARIFFS.

They have, however, only to refer to the Trade and Navigation statistics to convince themselves of the fact. The total imports of the United States in 1893 amounted to \$844,454,000, and the duties collected to \$193,373,000. The imports into Canada were \$129,074,000, and the duties collected \$21,161,710. These duties represent a tax of \$3.00 on every American citizen, and one of \$4.26 on every Canadian.

So much for the tax which goes into the public chest. But there is the other tax, which goes into the pocket of the protected manufacturer. It is sure that this tribute increases as the proportion of imports to home products increases. In the United States the volume of imports is in many cases so insignificant compared to the domestic production of the same article that the influence of the tariff on prices is much lessened. Imported goods in the United States represent only \$13 per head of the population. In Canada the imports represent a value of \$26 per head. From this it is safe to conclude that the proportion of industries affected by the tariff is twice greater in this country than in the United States.

Here, then, we find ourselves with a burden of taxation twice as heavy as that which caused the name of McKinley to become odious to the friends of the people the world over, and much greater than a young country of five millions of inhabitants ever consented to bear.

#### THE MONOPOLIST'S TRIBUTE.

There are no statistics to show the amount of the tribute which the protected manufacturers levy on the people, but we may estimate it by a very reliable process. The average duty on the dutiable goods imported in 1893 was a little over thirty per cent. On the other hand, the product of the industrial establishments of the country was estimated in the last census at \$475,455,705. At least one-half of these establishments have declared through the leaders of the Conservative party that they are dependent on protection. That means that they are engaged in the production of goods similar to those subjected to the duty, and that they want protection maintained in order to be able to sell twenty, thirty or a hundred per cent. higher than the foreigner is willing to take for his pro-



ducts. Some of the products of the mine, such as iron ore, are also affected by the tariff. The value of domestic products affected by the tariff is therefore not less than two hundred and fifty millions of dollars, and an average increase of thirty per cent. on this value means a tax of \$75,000,000 levied by the manufacturers. Add to this the twenty-five millions levied by the Government, and you have a round sum of a hundred millions which is taken out of the pocket of the Canadian consumer every year.

#### A HUNDRED MILLIONS.

that is, one hundred dollars taken out of the income of every family in Canada, for the benefit of a few.

As an example of how it is done, Mr. Dalton McCarthy has quoted figures which he obtained from a Toronto importer, showing that on cotton goods Canadians pay

#### 41 PER CENT. MORE THAN THE ENGLISH PRICE.

or, in other words, that every time a Canadian spends \$10 on cottons he contributes \$4.10 to the support of the cotton combine, which, without protection, he would have retained in his pocket. These figures showed that silesia, 34 by 36 inches, cost 6 cents a yard in Canada and 4-1-2 cents in England, or a difference of 23 per cent.; printed silesia, 8 3-4 cents in Canada and 6 cents in England, a difference of 45 per cent.; Oxford shirting, 7 1-4 cents in Canada and 5 cents in England, a difference of 45 per cent.; prints, 6 3-4 cents in Canada and 5 cents in England, a difference of 35 per cent.; prints of a different description, 8 1-4 cents in Canada and 6 cents in England, a difference of 37 per cent.; flannelettes, 8 cents in Canada and 6 cents in England, a difference of 33 per cent.

Without protection cotton could and would be sold to Canadians by Canadian manufacturers at English prices. Canadian manufacturers are now competing with the English and the American producers on the Chinese market, and in 1893 they exported goods to the value of \$371,000. The farmers and workmen of Canada were taxed that the Chinese might get cheap cotton.

#### AS TO IRON.

In his budget speech of 1888, Sir Chas. Tupper quoted the price paid by the city of Montreal for its iron water pipes as a fair means of ascertaining the influence of the tariff on the price of that commodity. Well, in 1886 the city of Montreal bought its water pipes from

home manufacturers for \$26.21 per ton. In 1887 Sir Charles Tupper inaugurated his scheme of protection to the iron industries, and in the fall of that year the city had to pay \$33.14 for the same goods. But protectionists then predicted that under the influence of protection so many foundries would spring up in the country that competition among them would soon bring the prices down again. As a matter of fact, prices have come down the world over, not as the result of any tariff legislation, but on account of the continuous improvement in the process of manufacturing. In spite of these influences the city of Montreal has to pay this year \$35.95 per ton for its water pipes, an increase of thirty-five per cent. over the prices of 1886, when there should have been a large decrease.

Now, iron and cotton are used by all classes of people, and the increase in prices has been a tax on the whole community. How many have benefited by it?

#### THE TAX AND THOSE IT BENEFITS.

The output of the cotton mills of Canada was in 1891 not less than \$8,451,724, value at the factory. By the time the goods reached the consumers their value had considerably increased, to pay the profits of middlemen of every class, so that it can be safely asserted that the people of Canada disburse annually not less than ten millions of dollars for domestic cottons. Mr. McCarthy says, speaking by the book, that 41 per cent. of this amount would represent the increase of prices caused by protection. But we will say to be liberal that these ten millions of goods could not have been supplied by England for less than seven millions. We have it then that the Canadian consumers are out of pocket three millions of dollars every year for cottons manufactured in this country. In addition the duty paid in 1893 on the five millions of cotton goods imported in spite of the national policy was not less than \$1,400,000. So that all things considered the Canadian people pay nearly four millions and a half more for their cotton than they would without protection. That is what they do for the cotton industry. What does the cotton industry do for the people? It gets its raw material and its machinery from abroad, so that the only benefit the people get is the wages that are paid out by the cotton mills. These wages in 1890, according to the figures supplied by the manufacturers, amounted only to \$2,102,603, less than one half the taxes paid by the people on cotton. The Canadian consumers could have supported the 8,502 employees of the cotton mills in perfect idleness, and they would still

have saved over two millions of dollars every year.

But cotton mills constitute one of the most respectable of protected industries. The iron industry has been above all a favorite of the Government. A bounty has been paid to encourage the production of iron at home, and heavy duties were laid to keep out the foreign iron. Well, in 1893, while bar iron sold in Liverpool at \$27.57, the Canadian combine was charging \$46 for an inferior article. The output of our rolling mills, according to the Conservative census, is \$1,750,000 annually, so that the consumer pays not less than two millions for the Canadian bar iron, while they could have bought the same quantity, and of a superior quality, for twelve hundred thousand dollars, a net loss of \$800,000. These rolling mills employed 831 men and paid them only \$335,000 in wages.

#### SMALL INDUSTRIES, GREAT TAXES.

But the smaller the industry the greater the scandal. In Canada there are two rice-cleaning factories. These factories employ a total of 75 men. The actual cost to the people of supporting these factories is \$150,000 per annum. This would give each of the 75 men \$2,000. It would be better for the country to give them \$1,000 each and let rice in free. But employes do not get such princely salaries. The average wages in flour and grist mills was \$374 a year. At this rate there were \$1,626 of the \$2,000 which did not go to the workers of the rice factories, but to the owners. Out of \$150,000 the manufacturers got \$122,000 and the workmen \$28,000.

The wallpaper industry employs 139 men, and it costs the consumers not less than \$170,000 a year, \$1,200 for every person employed.

#### A POLICY OF DISCRIMINATION AND PRIVILEGE.

Assuming for the moment that these industries would not have existed and that these people would have been without work, but for the protective tariff, every sensible man will admit that the game has not been worth the candle; that the benefits have been limited to a few, while the masses have stood the loss.

That is the essential feature of protection, to discriminate, to make the rich richer and the poor poorer. Like all privileges, it has a value only so long as the enjoyment of it is limited to a few. If the kings of old had made all their subjects barons or princes those titles would not have been a mark of distinction and power. Likewise, if a government could and would to-day apply the system of protection in such a

manner that it could enhance the value of every man's labor and of every man's property in the same proportion, it would not result in an advantage to any one. It would simply mean that every man would have the privilege of taking from his neighbor a dollar which some other neighbor would take from him. What the protectionist manufacturer wants is the privilege to take a dollar from each of his fellow citizens and to keep it.

#### THE SCRAMBLE FOR FAVORS.

We see them at every session of Parliament, these advocates of monopoly, asking for greater protection on the articles which they have to sell, and begging that the duty be removed from the articles they must buy. Protection for myself, but for no one else, is the true protectionist's motto. The farmers have neither the time nor the money to go to the Capital and besiege Parliament about these matters. They are chained to the plow. The workingman cannot leave his job without the boss's permission. They cannot look after their interests if they would. But the owners of iron mines, the leaders of protected and subsidized combines, are in daily attendance when a tariff bill is discussed.

#### THE GOVERNMENT'S WEAKNESS.

The Government must bow its head before the millionaires who help it, by their liberal subscriptions, to roll up a majority, and ignore the complaints of the people.

The tariff and the acts of the Government abound in the most glaring instances of discrimination. The capitalists who propose to speculate on the mines which the Government has given them out of the national domain, lately obtained permission to import the machinery which they wanted free of all taxes. Can any one recall that such a favor was ever granted to a farmer who needed a harvesting machine to develop the natural resources of his farm?

When the cotton combines were fitting up their mills the Government gave them permission to import their machinery free of duty. They were millionaires. The poor dressmaker who also runs an industrial establishment, according to census, has enjoyed the uniform privilege of paying a tax of thirty-five per cent. on her sewing machine. Ten per cent. is the moderate tax which the Government dare not collect on the rich man's diamonds and rubies; but it has not hesitated to put duties of 70 or 90 per cent. on the poor man's coal oil or on the farmer's binder twine.

The farmer produces wool, but wool is admitted free, because the millionaire proprietors of the woolen mills claim that

it is a raw material. Iron is a raw material of every industry; but there are some influential friends of Sir Charles Tupper who are interested in iron and coal mines, and this raw material cannot be admitted free. Such is the system and such its application the world over.

### A DANGER TO FREEDOM.

Mr. Carnegie, the type of the parasites who fatten at the expense of a nation—the man who reduced the pay of his employees twenty per cent., immediately after the protectionists had regained a majority in the American Congress—has had the audacity to write in the book which he has had the audacity to entitle "Triumphant Democracy," the following words: "Wealth cannot remain permanently in any class if economic laws are allowed free play."

But have economic laws free play in a country where one man has the advantage to tax all others for his personal benefit? The haughty lords of the middle ages were certainly more brutal, less skilful in concealing their tyranny and their cruelty than the plutocrats of protection, but historians have failed to show that any one of them enjoyed more valuable privileges than the governments of to-day give to their favorites, or that they ruled their serfs with more despotic will than the great modern monopolists show to their employees.

Privileges, excluded from the constitutions of modern states, have found refuge in legislation. All men are born equal, but what chance has the man who depends only on intelligence, honesty of purpose and persistent labor, to amass wealth, when part of his earnings and of those of his fellow men are taken from him by law, and given to him who comes into the world as the heir of a protected industry.

Is it surprising that in the short space of one generation that system of discrimination has created in the United States an aristocracy whose wealth exceeds that accumulated during centuries by the nobility of England or of Russia? Is it surprising that in that short space of time young states in which happiness and hope were the lot of all and great wealth the attribute of none, have been transformed into sad images of the old nations of Europe, where the masses having lost all hope of elevating themselves by labor look to revolution for a change, while above them a heartless clique depend upon the discipline of armies for the protection of their ill-gotten millions? The system is already bearing fruit in this as in other lands.

If you cannot believe that protection is what reason teaches it to be, if you do not recognize the seed of the tree, we will ask you to judge it by its fruits.

### A CONCLUSIVE TEST.

With its vast territory, with a wealth of natural resources which everybody recognizes, with a population which embodies representatives of the most energetic and civilized nations of the world, Canada should have progressed rapidly in all the branches of industrial and commercial development.

It should have progressed more rapidly during the last decade than ever before. During the fifteen years which elapsed from 1867 to 1881 the Dominion Government had taken rank among the nations of the world; its representatives had been invited to take part in foreign negotiations, immense sums of money had been expended to build canals and railways, which not only provided easier means of transportation in the settled districts, but which also opened up almost boundless belts of fertile territory. Everything was ready for the extension of our commercial relations and the reception of millions of new settlers.

Under these circumstances it is clear that if the system of protection inaugurated in 1879 was the great boon which its friends claim it to have been, the country must have entered on an era of prosperity unexampled in its history, and of such duration that the end should not be yet in sight.

On the other hand, if protection is what we have pictured it; if it is true that it is annually taking from the people this huge sum of \$100,000,000, equal to one-fifth of their income, there can not be any permanent nor any general prosperity. At first the enthusiasm and the confidence inspired by a new policy, the natural reaction following a period of depression, have no doubt caused a temporary revival in business. But it was not long before the protected industries found that they had been encouraged to increase their production unduly. As they were guaranteed a monopoly of the market, they resorted to combines to restrict production and to maintain prices at the highest point authorized by the tariff. Then the old-established industries began to feel the burden that had been put upon them. They could no longer produce as cheaply as in the past, and found more difficulty to meet foreign competition abroad. These industries had to take means to limit their operations to the local market also. The farmer found himself at a disadvantage on the European market, and with an insufficient local mar-

ket. He had to abandon his farm for the city, where he increased the competition in the labor market without being able to prevent the increase in the cost of living. The people left the country in large numbers, immigration languished, and finally none profited but the pet manufacturers, who, like vul-

tures, fatten on the dead and rejoice in destruction.

Let us go over the statistics prepared by the Conservative Government and ascertain which of the two pictures is the true one, that of unexampled prosperity or that of limited growth and early decay.





# PROTECTION AND COMMERCE.

Canadians doing less business to-day than twenty years ago.

## The Slaughter Market idea and the balance of Trade.

In 1868 the grand total of Canada's imports and exports was \$131,027,532; in 1877 it was \$175,203,355, an increase of over thirty per cent. in those ten years, under a revenue tariff. In 1883 the volume of our foreign trade was \$230,339,826 and in 1892, the banner year, it did not exceed \$241,638,620; so that the increase during ten years of protection did not exceed five per cent. During the decade of low tariff the average trade was \$48 per capita, and during the last ten years \$45 per capita. Slow as the increase of population has been under protection, the increase of trade has been slower still.

### INTERNAL COMMERCE.

The protectionists answer that internal commerce has developed at the expense of foreign trade. As an evidence of this fact, they point to the increased tonnage carried by railways. The great majority of railways did not exist at the beginning of Confederation, and consequently they could not carry a quantity of produce which went by water or was carted to the market by farmers. When we come to consider the length of the lines in operation we find that in 1882 the railways carried 1,802 tons for every mile of line open; while in 1893, they carried only 1,465 tons.

A more reliable measure of the internal commerce is the amount of money required by the business community. In 1868 the amount of Dominion and bank notes in circulation was \$9,350,646 and in 1878 it was \$20,475,000, an increase of 119 per cent. in ten years. In 1895 the amount of notes in circulation is \$29,000,000, an increase of only 45 per cent. in sixteen years.

### THE RESULT OF IGNORANCE.

If protection has thus impeded our mercantile development, it is not the result

of an accident, but the natural outcome of the system.

Hon. Mr. Foster once boasted in Parliament that his party has been trying to develop foreign commerce. He was trying to deceive or he forgot the true protectionist doctrine when he spoke thus. While protectionists are continually crying that we must foster Canadian industry they show by their actions that they have no clear idea of what industry is. Carried out logically and to their fullest extent, the views of protectionists about industry would amount to this: that every man must try to produce a great deal and to sell nothing.

This was only recently demonstrated by that orthodox organ, the Montreal Gazette. In a series of questions that paper insinuated that since the manufacturing of a certain quantity of goods will give more employment to labor than the transportation of the same goods would give Canadians must neglect commerce in order that industry may prosper.

It becomes necessary in presence of such heresies to go back once more to first principles.

### THE FACTORS OF INDUSTRY.

Industry consists of two factors, production and exchange, or selling of the things produced. Industry can not thrive without both.

Commerce is and has always been an essential foundation for the industrial advancement of a nation. Every child student of history knows that the commercial nations of the past were recognized as the most wealthy and the most happy.

While it is true, as the Gazette says, that imported goods displace a certain class of goods made at home, it does not follow that the capital engaged in the production of those goods will remain idle. Before we had protection we had years of prosperity,

when capital and labor were employed in industries which were self supporting.

When protection came and deprived our people of the privilege of importing a certain class of goods, it did not create at the same time an army of men to manufacture those goods. The men and capital which found paying employment in existing industries, which were self-supporting and paying, had to be withdrawn to be put into the new industries, which after fifteen years of protection can not yet stand alone. It was not an increase of wealth, but a most disadvantageous displacement.

#### WHERE THE LOSS OCCURS.

Each country possesses resources of some kind to a higher degree than all others. It is the innate instinct of man to take advantage of these resources which the Creator has placed near his cradle. It is clear that while labor and capital are essential elements of production, that nature is also a force of the highest importance. Unless the three elements work in harmony there must necessarily result a large waste of capital and of labor.

If a man attempts to raise cotton or oranges in Canada he will find it necessary to erect a hot house, to maintain artificial heat, at great expense, in order not to lose the money and the labor which he has already invested in the seed and in planting. After all he will find that his crop is of a very inferior quality, perhaps of no value at all, because he has not been working in harmony with nature.

A wiser man will raise wheat and apples, which will grow and ripen under the influence of the climate, and he will exchange these products which cost him little trouble, with the people who have the natural advantages for raising cotton or oranges. The exchange is an advantage to both parties, like all intelligent commerce.

#### HOW GREEN-HOUSE INDUSTRIES SPRING UP.

There are only two cases in which a sane man would undertake to raise oranges in Canada as a business venture. In the first place, if all the railways and ships which run to the orange producing countries were destroyed, and all systems of communication abolished, the cost of importing oranges might become so great that those grown in a hot house, could perhaps be sold as cheap as those from abroad. The second case would be if the Government said to an individual: "We will give you all the necessary protection, we will restrict the importation

of oranges so effectually that prices will go up until it pays you to raise them here."

In both cases the result to the people would be exactly the same. Oranges would become a luxury which only a very few could enjoy, the masses would be deprived of the enjoyment of this fruit, and those engaged in its cultivation would be taken from a more productive occupation. General consequence: decrease of production, decrease of purchasing power, decrease of wealth and pleasure.

#### THE ROBBER TARRIFF.

A twenty per cent. tariff tax may be considered the equivalent of a bad road, a fifty per cent., of a broad river without facilities for crossing; while a hundred per cent. duty such as was levied on some products can only be properly compared to a band of robbers who strip the producer of nearly all he possesses.

#### DOMESTIC AND FOREIGN COMMERCE.

These truths are so self evident that protectionists seek to establish a distinction. There can be no such distinction. Trade is not carried on by nations, but by individuals. The Government of Canada does not sell wheat to the Government of Great Britain, nor does it buy raw cotton from the American Government. These transactions are carried on by individuals at their own risk and according to their best judgment. If a Canadian makes a good bargain with a New Yorker, a few hundred miles away, he is just as well off as if he had made an equally advantageous bargain with another Canadian in British Columbia, thousands of miles away. In the first case the country is richer by the amount of profit realized by the Canadian.

#### POLITICIANS AS ARBITERS OF BUSINESS.

When the Government intervenes in such a transaction and says to our merchants "you shall not buy such goods from such a place under a penalty of 50 per cent." it simply assumes that it understands business better than the interested parties.

Is that true? Can it be supposed that the men who paid such an enormous price for the Curran Bridge, the men who run every Government enterprise at a loss, understand better the needs of commerce than the business men themselves.

Men stand in awe at the name of socialism. Protection is worse than socialism.

**Socialism** is a system by which the State would carry on business on its own account; the community at large would share the losses; but it would also take the benefits. With protection, if the Government foolishly undertakes to foster a certain industry, the loss is borne by the consumers; on the other hand if the industry succeeds, the profits go into the pockets of the favorites of the Government.

Nevertheless there are men who will argue seriously that without a protective tariff Canada would become a slaughter market for foreign manufacturers, that we would send all our money abroad, and that we would be left bankrupt.

What is the meaning of the slaughter market? It appears that in times of depression, the manufacturers of the United States, who find themselves with a surplus stock on hand, are willing to sell at low prices abroad in order to decrease competition at home and maintain their high prices in the market over which protection gives them a monopoly. With a low tariff the Canadian consumer would have the full advantage of these slaughter prices, he would get for fifty cents the American goods for which the protected American citizen would still have to pay a dollar. Is that a disadvantage? Is there not a profit in buying at half price goods that you want? The Government of Canada does not think so. It puts up a wall to keep out these cheap foreign goods and it taxes the people to foster national industries.

But we have our own times of depression. Our industries produce more than they can sell at home, and they find too that they have to sell part of their goods at a loss. But again protection interferes and prevents the Canadian consumer from profiting by the sacrifices of the Canadian manufacturer. The slaughtered goods, like cotton, for example, are sent to the Chinese or the Japanese, and the Canadian continues to pay the big, high price, which is the standard in a protected country. So that it is the glorious privilege of a protected people to bear all the burdens of hard times, but never to profit by any of the incidental advantages, which help to alleviate suffering and to hasten the revival of business.

#### IMPORTS BEGET EXPORTS.

Importation will always be followed by exportation. Misers are the only ones that can or will sell always and never buy. There is no such thing as a nation of misers. The mass of men the world over do not produce to get gold and hoard it, but to live and to enjoy life. As soon as a nation finds an advantageous market for some

class of goods which it produces a larger number of men are employed in that industry, and the nation must import what these men produced before. So it happens that whatever the policy of a nation may be, whether it is living under a free trade or a protective tariff, the imports and exports will be almost equal and will increase or decrease together.

The proof palpable of this is found in the record of the trade of the world. In 1892 the exports and imports of the leading nations were as follows:

#### IMPORTS.

United Kingdom .....	\$2,062,392,927
Germany .....	1,066,056,952
France .....	991,228,398
United States .....	840,930,955
Spain .....	145,452,790
Canada .....	127,406,063

#### EXPORTS.

United Kingdom .....	\$1,419,666,863
Germany .....	749,724,752
France .....	878,327,237
United States .....	938,420,630
Spain .....	141,397,801
Canada .....	113,963,575

#### THE BALANCE OF TRADE.

Protectionists speak about the balance of trade. According to statistics every country imports more than it exports, with the exception of the United States. The explanation is first contained in the manner in which statistics are prepared. Generally the cost of transportation is added to the value of imports and not to that of exports. In the United States the freight and packing is not comprised in the valuation of imports, so that the official figures do not give the real value of the goods to the importer.

That being said, what does an excess in the value of imports over exports really mean? Let us take a concrete case. A Canadian merchant exports flour to the West Indies of the registered value of \$10,000. He sells at a profit, and the ship takes a return cargo of sugars and cigars valued at \$12,000 by the Montreal customs. There is an excess of imports over exports; but the merchant feels that he has made \$2,000 and he can not see how the country lost anything by the transaction.

The balance of trade is also largely affected by financial conditions. So long as the government of a country or its public institutions borrow abroad, the imports will exceed the exports; because nations do not

borrow to get gold, but to get materials and machinery for public works and manufactures. That has been the case with Canada. So long as our Governments and municipal corporations borrowed largely in England, that money was used to bring goods from abroad, and we had a large balance of trade against us. The tariff had no influence in the matter. The balance of trade against us during the ten years 1881-90 was the same as during the ten years of low tariff, 1869-78, that is \$23,000,000.

When a country ceases to borrow and has to make heavy payments abroad then exports exceed importations. That is the case of the United States who now have not only their national debt to repay, but also heavy interests on foreign capital invested in the country.

England's position is peculiar. Its excess of imports over exports represents the amount of interest it is receiving annually from all the nations of the world who have borrowed money from British capitalists. That is a most prosperous condition.

In a word, large international payments are not made in gold, but in goods, if the paying nation has the goods to sell and the receiving nation has need for them.

Imports represent receipts, and exports, disbursements. Just as it would be folly to lay down as a rule that the man who disburses the most money is the man which has the most money left at home, so it would be folly to contend that the nation which exports the greatest quantity of goods is that which has the most goods at home.

But considering the general laws of commerce large imports are a sign of prosperity, of purchasing power, just as exports are the evidence of producing power. Take any of the years in which our foreign trade reached a high point, and business men will tell you that was a year of prosperity. Our manufactures did not stop then. They went on with increased activity, with renewed life; the machinery worked more constantly, the wheels flew faster and all the operatives were employed.

#### ENGLAND AND THE UNITED STATES.

If that were not sufficient to dispel all prejudices against so-called foreign trade, we would invite a comparison between England and the United States. The foreign trade of Great Britain amounts to about \$96 per head of her population, that of the United States to \$28 per head. We have been repeatedly told that Great Britain

was living on her capital, gradually ruining herself by her large importations. That has been going on for nearly half a century. What do we find now? Is there a scarcity of money in England? No, British capital is everywhere, building up nations in every point of the globe.

"Scarcely a profitable industry in the United States but is at present the subject of competition of British capital seeking investment therein," said the Chicago News some time ago. "For a few years past our Western and Southern lands, our cattle ranches, our sheep farms, have been in the process of absorption by British capital, in spite of preventive legislation. Later, John Bull has turned his attention to our breweries; later still to our Eastern retail dry goods stores; still later to our Southern iron and limestone fields; finally, the latest and most phenomenal British investments in American fields of industry come in the shape of investments in our great stove foundries, our New York and Boston restaurants, and our railway eating houses. In fact, the very cream of our money-making properties and enterprises is now being skimmed by these remorseless British seekers of places in which to plant the fertilizing seeds of their omnipresent and illimitable capital."

How is it with the United States. With restricted imports, with an excess of exports for many years, they are face to face with a gold famine, on the brink of bankruptcy, and obliged again to resort to foreign loans.

Is it so hard to understand the secret of England's greatness?

"The income of a friend of mine in London last year," said Hon. Mr. Boulton on the floor of the Senate, "who is engaged in trade, was £100,000. The profits of the firm of which he was a fourth partner were £400,000, made out of a trade that draws its raw material from all parts of the world, and ships the product of its industry to all parts of the world, and redistributes his capital again to all parts of the world. Canadians have quite ability enough, have quite enterprise enough, and have ample facilities to compete for a share in such a trade if the conditions are made equal."

To make conditions equal, it is necessary that our industries which are able to export shall not be burdened with taxes to support imports of any kind. By restricting importations, protection effectually shuts out Canadians from one of the most fertile fields of occupation.



# MARINE AND FISHERIES.

## PROTECTION STOPS THE DEVELOPMENT OF BOTH.

### The Decrease in Ship Building, Shipping and Fishing Fleet.

Sir George E. Cartier was fond of repeating on all occasions that the three essential elements of a nation's greatness were population, territory and a navy. He might have gone further, because history proves that many nations have attained to greatness and wealth without possessing a large territory, by devoting their attention to the development of their mercantile fleet. The carrying trade of the world is a field which never grows barren, and which affords a nation the greatest opportunity of making a clear profit at the expense of the other nations.

With a protective tariff no nation can have a prosperous merchant navy. The restrictions on commerce and the taxes on imports operate at the same time to discourage shipping and to make ship building unprofitable.

The necessity and opportunity for the use of any instrument must exist before the instrument can be needed or profitably employed. The soil must exist and be ready for the plow, or the plow will be a useless implement. There must be a free interchange of commodities between Canada and trans-oceanic countries, or there will be no occasion for ships or opportunity to profitably employ them.

As soon as the demand for ships by Canadian merchants ceases the ship builder turns his attention to some other calling. He becomes restless, his faculty for inventing in that particular line is no longer awakened, and the art of maritime construction decays, until it becomes impossible to compete with more active nations.

Then exporters and importers seek lower freight rates from foreign ship owners, and gradually the work of transporting those goods which must be imported and exported is done by foreigners who reap the profit and take it home with them.

Such are the logical results of protection; and such they have been in fact.

Canadians took naturally to ship building. In 1806 the Provinces of Upper and Lower

Canada owned 291 ships, having an aggregate tonnage of 17,583; forty years later the number of ships had increased to 604, and the tonnage to 67,523. At the same time there were in the British Navy 326 Canadian built ships, the aggregate tonnage of which was not less than 154,930 tons.

#### A DECREASE IN TONNAGE.

On the 1st of July, 1867, when Confederation was created, there were 5,693 vessels with a registered tonnage of 767,654 tons. In 1879 the number of ships had increased to 7,471 vessels, and the tonnage to 1,332,094 tons, almost double what it was at the time of Confederation. In the year 1892, the number of vessels on the Canadian registry books was only 7,010, and their gross tonnage 1,054,214 tons. During the thirteen years of low tariff regime the tonnage increased 74 per cent.; during the fourteen years of protection it has decreased 21 per cent.

In 1876, when a distinction was first made between Canadian and other British ships, it was found that the total tonnage of Canadian sea-going vessels entered and cleared from our ports was 1,634,333 tons, or 27 per cent. of the aggregate sea-going shipping entered at Canadian ports. In 1878 the tonnage of sea-going vessels increased to 1,928,531, and represented 28 per cent. of the sea-going shipping of Canada. In 1893 the total tonnage of Canadian sea-going vessels entered and cleared from our ports was 2,189,925 tons, or only 20 per cent. of the sea-going shipping. In 1889 the tonnage of Canadian vessels actually fell to 1,599,594, or less than in 1876. On the average during the five years 1889-93, Canadian vessels have only carried 16.7 per cent. of the shipping entered and cleared from Canadian ports. Had the rate of increase of the years 1876-78 been maintained, they would have carried over 85 per cent. of our shipping. Our loss was of course the foreigners' gain.

### DECREASE OF SHIP BUILDING.

The indirect loss has also been heavy. Canadian ship yards in 1871 employed 6,616 men and only 3,191 men in 1891. The value of the output was in 1871 \$4,432,262, and in 1891, only \$3,101,275. Those are the census figures. Just when the decline of the ship building industry began is shown by the fact that in 1878, Canadian ships sold abroad were valued at \$1,218,145. In 1879 the value suddenly fell to \$529,324, then to \$464,327 in 1880 a figure which is above the average for the years following. The tonnage of vessels built in Canada and registered here was 100,873 tons in 1878, and 23,440 in 1893.

It is interesting to know that there is a duty on ships imported into Canada for the protection of domestic industry. In 1893 the importation amounted to \$40,538 on which the Government collected \$6,252.

### IN OTHER COUNTRIES.

The above facts are still more conclusive when compared with the experience of other countries. In 1859, 67 per cent. of the American imports and exports were carried in American vessels. War and protection came, and the American navy promptly vanished. In 1870 only 35.59 per cent. of the imports and exports of the country were carried by American vessels, in 1880 only 17.18 per cent.; in 1890, only 12.29 per cent.; and in 1893, only 11.54 per cent. The decline has been as persistent as rapid after the war as during the five years of conflict.

While a large part of the exports and imports of France, Spain and Italy are carried in land vehicles, statistics show that the transportation of their commerce on the sea is done for two-thirds part in foreign bottoms.

England alone by opening her doors wide and by developing her foreign trade has found the secret of having a prosperous merchant fleet.

In spite of the efforts of other nations to exclude her goods and her ships, Great Britain increased the registered tonnage of her fleet from 7,028,062 tons in 1883 to 8,644,754 tons in 1893, and to 9,066,000 tons in 1894. The net increase in the world's mercantile tonnage in 1894 was about 652,000. Of this total, the net increase in the tonnage of the United Kingdom, as given above, represents about 68 per cent.

A quarter of a million of men find profitable employment on British ships, while the capital invested and bringing returns is simply enormous.

To maintain this fleet gives employment to those immense ship yards which send their products to all parts of the world.

During 1894, exclusive of war ships, 614 vessels of 1,046,508 tons were launched in the United Kingdom. These ship yards employ over a half million men.

### THE FISHERIES.

However, the industry which is most closely connected with the marine is that of the fisheries.

The Canadian fisheries, according to the official publications, are the greatest in the world, and the Government has shown its appreciation of the importance of this industry by increasing the annual expenditure for their development to \$486,000, out of which since 1883 a sum of \$160,000 is given as bounties to the fishermen.

Under the low tariff regime fishermen did not get a bounty, which is the product of a tax on somebody else, but they had the advantage of not paying any unnecessary taxes themselves.

In 1870 the value of the product of the Canadian fisheries was estimated at \$6,577,391, exclusive of British Columbia, Manitoba, and the Northwest; in 1879 it was \$13,000,000; an increase of one hundred per cent. in ten years. In 1893 the value of the product of the fisheries of the five old provinces was but a little over \$15,000,000, an increase of about 16 per cent. during a period of fourteen years of protection.

In 1869 Canada exported \$3,242,710 of fish and in 1878, \$6,853,975, another increase of over one hundred per cent. during ten years of low tariff. In 1889 the value of the exports of fish was only \$7,329,735, an increase of seven per cent. only during the first ten years of protection. In 1893 the exports reached \$8,743,000, the moderate increase being accounted for by the increased output of the fisheries of British Columbia.

In 1871 the number of ships engaged in the fisheries was 991 and in 1881 it was 1,147, an increase of fifteen per cent. In 1893 it was 1,104, a decrease of four per cent. under the protection tariff. The number of boats engaged in the fisheries in 1871 was 16,876, and in 1881 it was 30,427, an increase of eighty per cent. In 1893 the number was 31,508, a bare increase of three per cent.

It can not be said that our fisheries, "the greatest in the world," had reached the period of full development before the national policy came in force. The fisheries of the United Kingdom employ 120,000 men and produce annually \$35,000,000 worth of fish and Great Britain \$13,000,000 of fish every year. That is proof that there is still a large market in which Canadian fishermen could sell more of their products.

# MINES AND FOREST.

**Exportation discouraged. Importation increased.**

**Millions taken from the people and no result to show.**

The chapter on mines in the "Statistical Abstract," prepared under the supervision of the Dominion Government opens with the following remark: "The mineral wealth of Canada is so great that an American authority has said that to particularize the undeveloped wealth of this northern land would require volumes."

Mining must therefore be considered as one of the national industries which would progress very rapidly under a favorable regime. During the last fifteen years railways and canals have been extended to all parts of the Dominion, so that the transportation of mineral products and even the exploration of mineral lands were made much easier. All that was required to lead to the greatest possible development of our mineral resources was therefore a prosperous market and all possible facilities for producing cheaply. The protective system gave our miners a restricted market and compelled them to pay heavy taxes on the machinery and on the tools that they needed in their work, as well as on their food and on their clothing.

The result has been that the development of this great source of national wealth has been delayed in many instances and that after having incurred heavy expenditure to open new territory we have not been able to take advantage of the resources it contains.

In many sections of the country the period from 1871 to 1881 was one of exploration only, and the country should have reaped the fruit of the experience thus acquired during the last decade.

## A DECLINE IN EXPORTS.

Instead, we find that the exportation of the products of the mines of Canada which reached \$6,471,162 in 1873 had dwindled down to \$2,970,888 in 1883, and that they have not since attained the six million mark.

The aggregate exports of the products of Canadian mines from 1870 to 1879 inclusive

was \$28,630,000, and during the decade following it did not exceed \$35,000,000, a decrease of ten per cent.

As to the output of Canadian mines the figures of the last census have not yet been published, so that a comparison between the census of 1881 and that of 1871 is impossible. The reports of the Geological Commission only began in 1886, and in many cases are incomplete.

## THE OUTPUT OF MINERALS.

We cannot, therefore, speak with precision of the output of all minerals. However the statistics available are quite sufficient to enable the reader to judge of the production of those minerals which the protective system has aimed specially to develop.

That which should be our greatest mining industry is no doubt the production of iron ore and pig iron. We have unsurpassed natural advantages. According to Sir Chas. Tupper, the father of protection to the iron industry, we have coal and iron side by side, which constitute the greatest advantage, and we have deposits near the sea-side, which ensures distribution of the product at the lowest possible cost. The iron ore of Wisconsin and Michigan must be hauled by rail and steamer thousands of miles to the coal fields of Pennsylvania. Consequently, Sir. Chas. Tupper predicted that with the encouragement which he proposed to bestow on the iron industry it would soon become the great source of wealth in Canada.

## THE RESULT OF PROTECTION ON IRON.

The encouragement was given. First, in 1893, Parliament voted a bonus of \$1.50 a ton for the production of pig iron. In 1899 the bounty was reduced to \$1.00 per ton, but in 1892 it was increased to \$2.00 per ton and made

permanent until 1897. Besides a duty of \$4.00 a ton was imposed on imported pig iron and the duty or protection put against the importation of anthracite coal was removed.

What has been the result?

The production of iron ore, according to available figures, has been as follows:

Year.	Tons.
1871, Census figures ... ..	129,363
1881, " " ... ..	223,057
1886, Geological Commission report	69,703
1887, " " " "	76,330
1888, " " " "	78,587
1889, " " " "	84,181
1890, " " " "	76,511
1891, " " " "	68,979
1892, " " " "	103,243
1893, " " " "	124,702

So that after eight years of active protection the output of our iron mines is just about one half what it was in 1881, and below the production of 1871 even. Had the rate of increase of the decade from 1871 to 1881 been maintained the output would to-day be four times what it is.

As to the production of pig iron, since the Government began paying bounties it has been as follows:

	Tons.
1884 ... ..	29,394
1885 ... ..	25,770
1886 ... ..	26,180
1887 ... ..	39,718
1888 ... ..	22,210
1889 ... ..	37,234
1890 ... ..	25,697
1891 ... ..	20,153
1892 ... ..	30,294
1893 ... ..	46,948
1894 ... ..	46,523

The duties have failed to stimulate production and consequently to prevent importation. The aggregate value of pig iron imported into Canada during the five years 1882-86 was \$4,045,587 and during the last five years it has been \$4,738,946, an increase of \$693,359 since the high tariff has been imposed.

#### WHAT IT COST.

There can be no mistake as to the meaning of these figures. The people of Canada have paid out as duty on imported pig iron since the high tariff came into force a sum of two millions in round figures. On Canadian made pig iron they have paid under the form of increased prices not less than eight hundred thousand dollars, and the bounties paid out of the public treasury at

the end of 1894 exceeded a half million. We have thus a burden of \$3,300,000 which has been weighing on all the industries which use iron as a raw material. And the industry which it was intended to protect at this cost is in a worse condition than it was fifteen years ago. How could it be otherwise when the taxes imposed for the benefit of the iron mines were the ruin of the industries which could give a market to those mines. So much for the iron industry.

#### THE COAL MINES.

Everything in the natural evolution of Canada has been in favor of the development of our coal mines. The ever increasing price of wood, the substitution of coal as fuel, and the cheapening of the cost of transportation could not but increase the demand and facilitate the task of meeting it.

It is satisfactory to learn that all these causes have not operated absolutely in vain. The production of the coal mines is recorded as follows:

	Tons.
1871 ... ..	671,008
1881 ... ..	1,307,824
1891 ... ..	3,623,076

But in view of the causes enumerated above, and in view of the taxes imposed on the people, no one will consider that increase as satisfactory.

#### THE USELESS TARIFF.

The consumption of coal in Canada is estimated as follows by the Government statisticians.

	Tons.
1873 ... ..	1,398,403
1883 ... ..	3,086,000
1893 ... ..	5,259,000

In 1873 coal being on the free list Canada imported 574,308 tons, so that 59 per cent. of the coal consumed in Canada was supplied by Canadian mines; in 1883, anthracite and bituminous coal being subject to a protective duty, Canada imported 1,666,520 tons, so that Canadian mines only supplied 43 per cent. of the quantity consumed. In 1893, anthracite coal having been made free but bituminous coal being still protected, the imports rose to 3,104,000 tons, so that the Canadian mines only supplied 41 per cent. of the amount consumed.

This is at once a proof that our mines have not developed as fast as the natural opportunities which they had led all reasonable men to expect, and a proof that



the tariff on coal has had no beneficial effect whatever. The people have paid a tax of \$1.00 or 60 cents a ton on their coal for years, without deriving any benefit whatever directly or indirectly.

As a matter of fact nearly the whole of the increase in the output of Canadian coal mines is due to the opening up of new fields in British Columbia, and these are dependent for a market on the Pacific States. Out of a total production of 1,095,689 tons, British Columbia in 1893 exported 861,187 tons.

In 1880 the output of the coal in the Southern States was 3,820,000 tons, but these mines in 1890 yielded 17,000,000. They had been successfully developed in the face of the competition of the older mines and of the immense capital of Pennsylvania. They did not get the advantage of tariff protection against older rivals, but they had the advantage of free trade with 65,000,000 of people. This example fully justifies the advice given by Senator Boulton, when he said:

"I will tell you what to do with your coal mines: adopt free trade, which will bring the manufacturers where they can get cheap steam power and cheap ocean transport to the world's markets. Then you can increase your population; but you cannot do it as long as you have heavy duties pressing on the industries that are endeavoring to get an honest growth, and which are indigenous to the country."

#### COAL OIL.

We have next the coal oil industry, which is now celebrated.

In 1871 Canada produced, according to the census, 12,969,435 gallons of crude petroleum, and in 1881, 15,490,622. In 1891, according to the Geological Commission, the production reached 26,634,000 gallons. The oil refineries, according to the statistical abstract, in 1890 employed about 250 men who probably received less than \$150,000 in salaries.

That was the value of the industry to Canadians. To raise it to that degree of importance the Government imposed a duty on coal oil, which amounted to nearly half a million dollars in 1893, being equal to 95 per cent. of the value of goods imported.

Before this protection was established Canada exported as much as nine millions of gallons of petroleum in one year, but with a tariff which allowed the producers to increase their price in the Canadian market by at least 75 per cent. exportation ceased.

During thirteen years the Canadian people paid an annual tax of over a million dollars, to foster and protect this industry,

and one third of the oil consumed in the country is still imported. The Government has at last recognized the rising protests of the consumers. The duty has been reduced, and it will now be only about seventy per cent.

#### IN THE CASE OF SALT.

Another striking example of how protection has hampered all our natural industries is that of the salt industry.

Salt was first discovered in Ontario in 1866. A company boring for oil in the town of Goderich struck a bed of almost absolutely pure rock salt at a depth of 1,200 feet. Since that time borings have been made in several places sufficient to demonstrate that this same deposit of salt extends from Kincardine in the north to Windsor in the south, and from Goderich in the west to Seaforth in the east, comprising altogether an area of about 1,200 square miles. There is on an average about 100 feet in thickness of salt. The supply is practically inexhaustible. Blocks of evaporating houses have been erected at various points, with a manufacturing capacity of about 1,000,000 barrels, or 140,000 tons, per annum.

The production, however, has not reached half that quantity, and the establishments are not working half the time. Before 1878 salt was on the free list, but the fuel necessary for its production was also on the free list. The manufacturer had the best possible opportunity to export, and they took advantage of it. In 1876 the exports were 878,045 bushels, in 1877, 789,599 bushels and in 1878, 658,000 bushels. In 1893 the exports had fallen to 4,010 bushels. On the other hand the importation of foreign salt rose from 76,681 tons in 1878 to 175,500 tons in 1893. "So long," said a manufacturer "as we are taxed for almost all that enters into the process of manufacture, while we have to compete with a free trade country, where everything is at the lowest, so long the salt industry will remain in its present state of depression."

The moral is clear enough.

#### THE FORESTS.

If we turn from the mines to the forest, we find the influence of the national policy is still the same.

There is no industry in the country which can add more rapidly to the wealth of the people than the lumber industry. The forest which in its primitive condition is only an obstacle to civilization turns into gold in the hands of the lumberman. To stimulate the development of the treas-

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tre which nature has so bountifully distributed over Canada, to cheapen the cost of everything that the lumberman needs, so that he could better meet foreign competition abroad, would therefore seem to be the real national policy. But Conservative politicians have thought otherwise. They tax the lumberman on his tools and on his clothing; and they levy a tribute on the machinery of the saw mill.

The annual output of timber products which amounted to \$73,429,922 in 1880, for the four provinces of Quebec, Ontario, New Brunswick and Nova Scotia, has fallen to \$67,264,458 in 1891. In 1871 the value of the output was \$44,462,907. There was an increase of 66 per cent. during a decade of revenue tariff and a decrease of eight per cent. during a decade of protection, which means that the lumber industry is employing probably 50,000 men less to-day than it would if it had been allowed to develop freely.

#### A COMPARISON.

Is that a natural or a satisfactory state of affairs. In the State of Michigan whose forests are said to be exhausted the number of men engaged in the manufacturing of lumber increased from 19,252 in 1870 to 22,732 in 1880, and to 43,000 in 1890. The development of the Canadian industry was much more rapid than that of this state while we had a low tariff, but we have woefully fallen behind since the introduction of protection. A comparison with Minnesota, or Wisconsin shows the same state of affairs. These three states with a population smaller than that of Canada, with a smaller forests area, employ 86,000 men in their lumbering establishments, against 56,000 employed in Canada. The value of their timber products was not less than \$167,237,816, while Canadian forests, includ-

ing those of the Northwest and British Columbia, only yielded \$80,071,415.

These figures show eloquently what might have been. Our forests might be made to produce enough to repay in a few years a sum equal to the national debt.

#### ANOTHER DECREASE IN EXPORTS.

Instead we find that our exports of the products of the forest have been decreasing. During the decade from 1869 to 1878 the annual exports of products of the forest gave an average of \$22,982,874. During the next ten years, with the immense resources of British Columbia added, the exports of forest products have averaged only \$21,406,079, a decrease of seven per cent. In 1893, the year of the largest export of forest products since the introduction of protection, the value was only \$26,359,910 against \$28,586,816 in 1873.

#### RAW MATERIAL SENT ABROAD.

One of the features of the present export trade is the sale to the United States of large quantities of saw logs. During the four years 1882-85 the annual export of saw logs did not exceed \$37,000 a year, but since it has grown every year, until in 1893 it reached the value of \$1,056,355. Canadian lumbermen finding the cost of manufacturing increased in Canada through the operation of protection, are sending their raw materials abroad.

While, at great cost to the people at large, we are trying to establish industries which must import their raw material, protection operates to destroy those national industries which utilize the natural resources of the country. One need not be an economist to see that such displacements of industry can not be made without begetting heavy losses to the country at large.



# PROTECTION AND AGRICULTURE.

It increases the expenditure of the Farmer but not His income.

Benefits disappear, farmers seek other occupations and farm values fall.

The possibilities of agriculture in Canada are practically unlimited. According to Professor Saunders, who is in the employ of the Government, only ten per cent. of the whole arable land of the country is under cultivation. With such a heritage there must be a great future for the country on account of its enormous food producing capacity.

These truths are so plain and self-evident that every government has been lavish in its expenditure to promote agricultural interests. The Provincial Governments have given bonuses to stimulate production, and have taken great care to educate the farmers in their business. Both these governments and the Dominion have subsidized railways, improved canals to open up new territory, to facilitate colonization. Over \$250,000,000 have been invested in these public works by the people of Canada. That means an annual charge of over \$12,000,000 annually.

Surely the Conservative governments who were foremost in these vast expenditures expected to get some return, they were convinced that the opening of new lands would attract people in large numbers, and that the annual production of the country would be increased in proportion.

## WHAT SIR CHARLES TUPPER EXPECTED.

Sir Charles Tupper, supported by Sir John A. Macdonald, told the country on a memorable occasion that by the 31st of December, 1891, the Government would be in receipt of \$58,300,000 of cash or securities which would be better than cash from the sale of our lands in the Northwest to indemnify us for our outlay on the C. P. R. Sir Charles also promised that 640,000,000 bushels of wheat would be exported annually from the Northwest before the year 1894.

What are the facts?

## THE NUMBER OF FARMERS DECREASES.

On page 184 of the Statistical Abstract for 1893 there is the following table indicating the number of farmers and farmers' sons in the country.

Provinces.	1881.	1891.
British Columbia ... ..	2,381	5,874
Manitoba ... ..	13,497	29,014
New Brunswick ... ..	51,485	45,880
Nova Scotia ... ..	63,435	53,340
Ontario ... ..	300,554	292,270
Prince Edward Island ... ..	20,492	20,227
Quebec ... ..	200,857	191,564
Northwest Territory ... ..	1,011	9,826
Canada ... ..	656,712	649,506

The only result of the construction of the Canadian Pacific, and of a handsome expenditure every year, has been the addition of 28,856 farmers to the population of the Northwest, and this is more than offset by a decrease of 36,042 in the old provinces. Taken on the whole the decrease in the number of farmers during the decade amounts to 1.09 per cent. In the four provinces of New Brunswick, Nova Scotia, Ontario and Quebec the decrease was equal to 5.60 per cent. During the decade of 1871-81, under a low tariff, the number of farmers in these same provinces increased from 476,000 to 639,000, or by 34 per cent.

An increase of 34 per cent. against a decrease of over 5 per cent. under a protective tariff. That shows the extent to which agriculture has been benefited by protection.

## THE WHEAT CROP.

In 1871 the wheat crop of Canada was about 17,000,000 bushels; in 1881 it was over 32,000,000, an increase of over 15,000,000 bushels; in 1891, it was 42,000,000, an increase of only 10,000,000 bushels, although

the average yield per acre was fifteen bushels in 1890 against 13 bushels in 1880. Nature did all it could to increase our output, but our rules thwarted her intentions. To-day the total yield of wheat in Canada is less than one-tenth the amount which the Northwest should export according to Sir Charles Tupper.

Canadians have deserted farming; the Government has been unable to induce foreigners to take up our lands. There could be no clearer demonstration that the farmers themselves have not attached any value to

#### THE HOME MARKET

which protection was to give them.

A little reflection will satisfy every intelligent man that there can be no such thing as a home market for the farmer of Canada. Protection has restricted the importation of agricultural products, it is true, to a small extent, but it has retarded exportation to a much greater extent.

On page 267 of the Statistical Abstract there is a little table showing the imports and exports of all breadstuffs. From this table it appears that during the five years 1875-79 Canada imported of breadstuffs, \$62,640,106, but it also exported of the same products during the same period not less than \$112,342,794. During the five years 1889-93 the imports of breadstuffs fell to \$41,016,634, but the exports also fell to \$89,506,922. During the low tariff period the excess of exports over imports of breadstuffs was \$49,702,693 and during the period of protection it was only \$43,490-288.

This signifies that when they were left alone a portion of the Canadian people bought their breadstuffs in the American market, to avoid freights. To-day they are deprived of that convenience by the tariff; but the farmer has not benefited by the hardships imposed on his fellow countrymen.

The prices of his products are regulated by the quotations on the Liverpool market, where he has to export his surplus, and he has not increased his output as much as he would have done under normal conditions.

#### THE FARMER SUFFERS FROM DUTIES.

Take for example the case of cattle and horses. In 1833 we exported large quantities of cattle and horses, but it happened that there were some sections of the Northwest which could not communicate as easily with Ontario as Great Britain

could. The people of those sections had a more convenient access to the neighboring States and in spite of the tariff they imported horses to the value of \$78,000 and cattle to the value of \$20,487. In this case the Western Canadian farmers suffered from a duty imposed for their protection, while the Ontario or Quebec farmers derived no benefit from it.

Take also the case of corn. Canada is not naturally a great corn growing country. Still the corn crop of Canada which was 3,800,000 bushels in 1870, increased to 9,000,000 bushels in 1880, without protection. The Conservative Government put a duty on corn, and in 1890 the crop in Canada did not exceed 10,000,000 bushels, and a million dollars worth of this product still had to be imported. The duty failed to increase the production of corn, because the country was not adapted to it, and on the other hand it has been a burden on all the farmers who engage in raising cattle.

#### HE DOES NOT REAP THE ADVANTAGE.

Still another instance of the operation of protection on agricultural products. One quarter of the wheat raised in Canada has to be exported and sold at whatever is the current price in Europe. Under natural conditions, if wheat brought one cent more when sold for consumption in Canada than when sold for export, every farmer would hold his wheat for the home market, and just as quick, the price would come down. There is only one way to stop the operation of this natural law—combination—by which a certain quantity of wheat is sold abroad at a sacrifice, thus creating a scarcity at home, resulting in an increase in price, as the tariff of 15 cents per bushel prevents importation of foreign wheat for home consumption. The farmers themselves cannot form a combine, they are too numerous to allow of an understanding between them all by which competition would be restricted. But this year two great companies have succeeded in getting a corner on wheat. The Ogilvies and the Lake of the Woods Milling Co. have bought the wheat of the Canadian farmers at the price regulated by competition, and now they have formed a combine which has put up the price of every barrel of flour sold in the country. Once more the farmer has not derived any advantage from the protection on wheat; but through the monopoly created by the tariff every farmer who buys flour and bread has to pay more for it.

## DEPENDENT ON THE FOREIGN MARKET.

All the leading products of the Canadian farms, wheat, barley, hay, oats, cattle, butter and cheese must find a market abroad if the output is to be increased. The total value of our agricultural products in 1891 was estimated at \$236,090,000 and of this \$52,000,000 were exported. The European and American market is the Canadian farmers' field, and in those markets the Canadian Government cannot protect him.

Protection in Canada has nothing but disadvantages for the farmer. It weighs on him not only as a consumer, but also as a producer. He is taxed on the implements and rolling stock which he requires in his industry, on the clothes he wears and on his household goods.

When the manufacturer of iron comes to the Government and says, "I can live, or I can make a profit, if a certain duty is imposed," what is he saying? He is simply saying "If you give me a certain duty you can put it in my power to charge over that duty as an additional tax on the farmers of Canada." Consequently the Canadian farmer has to contend with serious drawbacks in his efforts to extend his trade abroad in competition with other farmers who have not the same burdens to bear.

## THE EFFECT OF THESE DRAWBACKS

is clearly indicated in the statistics of our foreign commerce.

During the ten years which elapsed from 1874 to 1883 Canada exported \$207,731,685 of agricultural produce, and during the last ten years, 1884-93, the exports have fallen to \$189,480,987, a decrease of nine per cent. when there was every reason to expect a large increase..

There has been an increase in the export of cattle, but the progress was not proportionately as great as under the revenue tariff. The value of the exports of Canadian cattle in 1868 was \$6,893,167; in 1873, \$14,000,000 and in 1888, \$24,719,297.

The increase in the export of cheese is given as a sign of the prosperity of agriculture. This increase was much greater under a revenue tariff. In 1872 the exports of cheese were \$1,830,786; in 1882, \$5,490,112; an increase of three hundred per cent; and in 1892, \$11,593,690, an increase of little more than two hundred per cent.

What protectionists are careful not to show is that the increase in the exports of cattle and cheese under protection has been

## AT THE EXPENSE OF OTHER BRANCHES

of agriculture, while under the old tariff all branches were developed. Thus from 1879 to 1884 there were 81,000,000 pounds of butter exported from Canada, of the value of \$15,000,000; and during the five years 1885-90, only 25,000,000 pounds of the value of \$4,700,000. During the first five years of protection the average value of our exports of butter was \$3,000,000 per annum; in 1893 the exportation amounted only to \$1,296,000. The Federal and Provincial Governments find themselves under the necessity of giving bonuses to restore the butter industry to the position it occupied before protection was inaugurated.

In 1874 we exported \$2,170,000 of pork, bacon and ham, and in 1890 only \$651,000; and in 1893,—a year in which exports were much over that of previous years—not more than \$2,010,000.

Taken as a whole, the export of dairy products has not increased under production to a perceptible extent, in spite of the efforts of the Provincial Governments to develop this industry.

## WHAT IS THAT NATURAL?

Is it satisfactory? Was it because there was no market? No, the market was there. Great Britain alone increased her imports of butter from £767,000 in 1870 to £4,848,735 in 1892, but Canadians were prevented from taking advantage of this increased market because they could not compete with free trade Denmark, which sells \$25,000,000 of butter annually on the British market.

## FREE TRADE WHERE IT IS APPLIED.

This little country of Denmark which has an area of only 15,289 square miles, or less than one-twelfth that of the Province of Quebec, has under free trade developed its agriculture to such a point that it exports every year \$50,000,000 of animal and dairy products, equal to the entire exports of agricultural products of Canada. It maintains a population of 2,185,000 of whom 886,291 or more than one-third are depositors in the savings banks, the total amount to their credit being \$137,687,310, or about \$300 for every family in the land.

In Holland, where the highest duties are five per cent., there is a population equal to that of Canada living on 12,000 square miles, or one-fifteenth the area of the Province of Quebec. The value of agricultural products raised for export every year from

this small parcel of land is about \$50,000,000, more than the average export from Canada. During the last decade the population increased by twenty per cent. The number of depositors in the savings banks increased from 538,413 in 1883 to 630,605 in 1891, and the deposits aggregated \$35,000,000 in the savings banks, or about \$40 for every family in the land.

Sweden, also a free trade country with an area a little less than that of the Province of Quebec, supports a population equal to that of Canada, and of butter alone exports \$6,000,000 to Great Britain annually.

These examples show what development the dairy industry might attain in the older provinces of the Dominion under favorable circumstances and what a source of wealth it might be.

#### THE NORTHWEST AND ARGENTINA.

What we might have done with our vast Northwest and what we may still do with it can be shown by a comparison with the Argentine Republic. That country has an area of 1,125,000 square miles, so that in extent it is about equal to the fertile belt of the Canadian Northwest. In 1870 this country had 1,840,000 inhabitants and in 1890 its population was 4,257,000. In 1892 it exported \$76,000,000 of animal products, or three times as much as Canada. It began to export wheat in 1890 and in 1892 it sent 25,000,000 bushels to Europe. In 1893 the shipments amounted to 45,000,000; in 1894 the shipments would aggregate 75,000,000. Its trade extended not only to Great Britain, but also to France and Germany and Belgium.

Meanwhile, the exports of breadstuffs from Canada as already shown have fallen. In 1874 we supplied Great Britain with 8.71 per cent. of the wheat which it imported; in 1892 our proportion had fallen to 5 per cent.

#### CROWDED OUT OF THE MARKET.

The link of facts is clear. Unable to compete on foreign markets, the Canadian farmers have had to desert their farms. And the decreasing demand for farm lands has brought a decrease in value. In Ontario the average value of farm lands has fallen from \$29.43 in 1882 to \$26.25 in 1893. The farmer has not suffered only by the depreciation of his labor; his capital invested in lands and buildings has also depreciated. Why?

Our farmers have the intelligence; they have the land to produce all that Europe needs of food products. Instead of supplying one per cent. of the meat, or five per cent. of the wheat that Great Britain imports, our Northwest could produce the whole of it. As Sir Charles Tupper contended we could export two or three hundred millions of agricultural products every year.

To do so the Canadian farmer must be in a position to meet the competition of all comers.

It is not in the power of the Canadian Government to increase the revenue of our farmers, because it cannot increase the price of agricultural products in Europe. But it is in the power of the Canadian Government to

#### REDUCE THE EXPENSES

of the farmer by removing the unnecessary taxes on all things that he must buy.

In this way, and in this way only, can the profits of the Canadian farmers be increased to the point where agriculture will again be a paying industry. Then people will flock to it, the land will be made to yield its annual crop of wealth, which will be distributed in all classes of society and will become the basis of national greatness.

That will be the first object in a reduction of the tariff.



# INDUSTRIAL ESTABLISHMENTS.

The authentic figures in the Census show a smaller increase than in any previous decade.

## CAPITAL AND LABOR TURNED INTO UNPROFITABLE ENTERPRISES.

The chief industry of Canada," says the Yearly Abstract issued by the Conservative Government, "is that of agriculture. Whatever affects it, prejudicially or beneficially, affects directly all other employments." Not only is that absolutely true, but it is equally proved by experience that manufactures will not develop to any great extent in a country until the agricultural population has become so dense that it affords a valuable market for manufactured products, and supplies the labor which the manufacturer needs. Just in the proportion that the agricultural population increases in a given territory do manufacturing establishments arise, and it does not matter a straw whether that given territory is protected by a tariff or whether it has free trade with a manufacturing district.

### ORIGIN OF MANUFACTURES.

Take for instance the Western States. Thirty years ago that territory was purely an agricultural country. Manufacturing industries did not exist because the population was too sparse, because it would have been difficult for a manufacturer to gather a sufficient number of hands to run a large establishment. At that time the New England States supplied the western farmers with manufactured goods. The New England manufacturers had the start, they had the experience, the capital and the advantage of cheaper labor, because wages were lower in the east than in the west. Nevertheless, in the face of all these apparent disadvantages, without any tariff protection against the competition of eastern manufacturers, manufactures rapidly developed in the west as soon as the population of the Western States became so great that the manufacturer could find in his immediate neighborhood a market and the labor which he required.

Likewise had our agricultural population grown, as our resources lead Sir Charles Tupper to believe it would grow,

the development of manufactures would have been rapid and healthy. Indeed, manufacturing industries were born in this country during the period of reciprocity with the United States, and of low tariff, when agriculture was prosperous and the number of farmers increased rapidly.

In 1851 the census shows that there were 215,279 persons engaged in agriculture and 102,318 were engaged in industrial pursuits. In 1871 there were 479,512 engaged in agriculture, and 212,748 engaged in industrial pursuits, so that both the number of farmers and that of workmen had more than doubled during the period of reciprocity and revenue tariff.

Protection, having crippled the growth of our agriculture, as already shown, and nine-tenths of our manufacturing industries being restricted to and dependent upon the home market, it is evident that there could be no great progress in manufactures during the last decade.

### THE PROOF OF FRAUD.

The protectionist Government vaguely suspected this, and it has made a desperate effort to show by statistics that the teachings of common sense are false.

The unreliable character of the industrial statistics contained in the census has been generally exposed, but the most conclusive proof of the deception which the Government attempted to practice upon the people is found in the census itself.

Besides the industrial statistics obtained from the manufacturers, and which are used by protectionists, the census contains information as to the occupation or trade followed by every man, woman or child doing any kind of work whatsoever. This information is obtained by the sworn enumerators as they go from house to house, and there is no reason to doubt its reliability. The working people are not interested in giving false information about their cal-

ling, like certain manufacturers may be to exaggerate the number of people that they employ or the capital they have invested.

Well, when we come to make a comparison, we find that in the industrial statistics obtained from the manufacturers, and which the protectionists are always quoting, the number of hands employed is placed at 367,865, while the reliable information concerning the occupation of the people shows that the total number following industrial pursuits (which includes every man, boy and woman) was only 329,031, or 47,834 less than the number claimed to be employed in industrial establishments.

The industrial statistics have never before included even all those who followed industrial pursuits. In 1881 those giving their occupation as engaged in industrial pursuits were not less than 287,296, yet the industrial statistics showed only 254,935 hands employed in manufactures. Village dressmakers and jobbing carpenters were never before included in the enumeration as industrial establishments, so that all comparison of the reports on manufactures with those of a previous census, to show the rate of increase, is manifestly unfair.

#### THE REAL INCREASE.

The tables of the census which show the occupations of the people contain just the information, and the only reliable information, as to the number of people engaged in manufacturing, and the following are the figures:

		Increase
1851	122,318	
1861	144,156	41 p.c.
1871	212,748	47 p.c.
1881	287,296	35 p.c.
1891	329,031	14 p.c.

From these figures, honestly compiled by the sworn employees of the Government, it will be seen that the number of people engaged in manufacturing increased only by 14 per cent., and not by 44 per cent., as the industrial statistics would make people believe, which shows that the said statistics must be taken with a discount of 33 per cent., and this increase of 14 per cent. is by far the smallest of any decade since Canada has any manufactures at all.

#### HOW PROTECTION DEVELOPS INDUSTRY.

Having given the proof that manufactures have not prospered where agriculture did not prosper, we will again refer to the Government statistics on manufactures.

Although these statistics are inflated as we have shown they are not with-

out a certain value to show how protection affects the industrial development of a country.

The Jack-of-all-trades-and-master-of-none is the beau ideal of the protectionist. He holds that every dollar which a country disturbs is a dollar lost, even though it may get twice the value in return, and on the other hand if he can succeed in making a piece of goods for himself, even though it takes him time and outlay ten times the value of the article, he holds that he is the gainer by the amount of the price of that piece of goods.

In the application of these principles our protectionist Government has fostered a lot of baby industries, which are intended to teach Canadians to make for themselves things that they might buy much cheaper than it will cost them to manufacture. That is called creating a diversity of industries. How far we have progressed in that line is shown by the fact that Ontario has now 257 different kinds of industries against 189 in 1881, Quebec 213 against 145 in 1881, and so on with the other provinces.

But all these experiments in new industries require capital; oftentimes after a plant has been acquired at great cost. It is found that the local market cannot consume half of what could be produced, so that the expensive plant is idle half the year, and capital is tied there unproductive, while the natural wealth of the country lies buried because there is no capital available.

#### SMALLER PROFITS.

The proof of it again is in the Government statistics. In 1871 the capital invested in manufacturing was \$77,964,920, and the value of the products \$221,817,773. In 1891 the capital had increased to the enormous sum of \$253,826,817, and the value of the products was only \$475,455,705. In 1871 to produce \$1,000 of goods only \$51 of capital was required; in 1891 it required \$744 of capital to produce the same value of goods. In 1871 it required only \$415 of capital to give employment to one man; in 1891 it required \$9'2, much more than twice the amount. In 1871 25 per cent. of the product was left to the manufacturer after paying for raw material and labor, and that represented a profit of 72 per cent. on his capital, with which to pay for wear and tear, interest, etc. In 1891 there was still the same proportion of the product left over the cost of raw material and labor, but in this case 25 per cent. of the product represents a profit of only 34 per cent. on the capital invested.

Now every one can see that the development has not been in the interest of the capitalist, nor of the working

man, nor of the consumer. It has been an unhealthy growth. Canada needs all the capital available to develop its natural resources, and it should not be tied up in green-house industries which can never be productive of great returns.

#### LEGITIMATE INDUSTRIES SUFFER.

When capital is thus tied up, the great and legitimate industries of the country suffer, because they are deprived of the money they require for their development. They suffer also because they have to bear the burden of the taxes imposed for the benefit of the combines in which capital is tied. The result is that these industries decline and employ less people.

A few figures from the census will again confirm this theory. The number of blacksmiths in the country has decreased from 19,846 in 1881 to 17,957 in 1891; the number of shoemakers has decreased from 17,423 to 15,816 in the same period; the number of furniture and cabinet makers has decreased from 4,731 to 4,294; the number of carpenters and joiners which was 40,518 in 1881 did not exceed 45,229 in 1891, a bare increase of twelve per cent.; the number of coopers decreased from 4,621 to 3,420; the number of millers decreased from 5,671 to 4,384; the number of harness makers has remained stationary, it being 3,573 in 1881 and 3,647 in 1891.

In contrast with this it is interesting to note that the number of Government employes increased from 4,519 in 1881 to 13,034 in 1891.

#### PROTECTION FAVORS COMBINES ONLY.

Tanneries are supposed to be protected. There is a heavy duty on leather. Well, during the decade of 1881-91 there has been a decrease of 22 per cent. in the number of people employed in tanneries; and the value of the output has decreased 24 per cent.

Boot and shoe making is a protected industry; at least there is a heavy duty on shoes. We have already seen that the number of shoemakers has decreased during the decade of protection by over 6 per cent.; the value of the output of the shoe manufactures, according to the inflated statistics, has only increased 6 per cent.

Saddle and harness making is a protected industry. The increase in number of hands employed in this industry has been five per cent., according to the inflated statistics, and the value of the product has only increased 23 per cent.

The woollen mills are protected, according to the tariff. This industry grew rapidly before the national policy. During the decade of protec-

tion the number of hands it employs has increased by only 4 per cent., and there has been an actual decrease in the value of the output of 3-10 of one per cent.

The manufactures of sewing machines are highly protected. The price of every sewing machine is increased by about \$15 by protection. Still the number of men employed in these manufactures has decreased by 24 per cent. during the decade of protection; and the value of the output has also decreased by 34 per cent.

The manufactures of agricultural implements, of carriages and wagons and of furniture are also protected industries.

Grouping these eight protected industries together, to make a long story short, we find that the number of people they employ has decreased from 48,963 in 1881 to 43,311 in 1891, while the value of their output has not increased by more than 15 per cent.

So much for this group of eight of the most important protected industries.

In all the industries in which the number of establishments is so great that a combine is impossible, the burden of protection is shared by the manufacturer and the consumer. The power which is given to the former to increase in a small degree the price of some of his products is more than counterbalanced by the duties which he has to pay on his raw materials. As it has truly been said of the shoe manufactures: "Canada has advantages which, taken proper advantage of, might make her the greatest shoe manufacturing centre in the world. To ensure the retention by home-grown manufacturers of the Canadian market, which they were never in danger of losing, the Government has made an export business impossible. The duty has not benefited the manufacturer, for the protection that it gave on the finished product was taken away by taxes on the materials used. All the Government has succeeded in doing is in adding to the cost of the Canadian boot, thereby burdening the consumer and limiting the manufacturer's field to the confines of Canada."

To the majority of the industries which gave employment to 250,000 people before protection came into force, a high tariff means the loss of the market of the world. And in exchange protection has given them only a restricted domestic market, ruined by over-taxation and over-trading.

#### THE STORY OF COMBINES.

How is it with the combines? The largest and most prosperous of them, the cotton industry, should be a fair example. How much has protection ad-

vanced the interests of that industry?

When the census of 1871 was taken the industry had just been introduced in Canada. At that time it employed 745 hands and the capital invested amounted to \$632,000. That was not much, but it proved that business men at that time were satisfied with the possibility of making the cotton industry prosper under a low tariff. Events proved that they were not mistaken. The progress of the industry is proved by the increased importation of raw cotton, which continued steadily through the disastrous years 1877, 1878, 1879. The imports of raw cotton increased from 19,526 cwts. in 1872 to 97,207 cwts. in 1879, which is an increase of not less than five hundred per cent. in seven years. In 1880 the number of hands employed in the cotton industry was not less than 3,537, an increase of 374 per cent. in ten years, and the value of the output reached \$3,759,412, an increase of 381 per cent. The home production was thus steadily increased in the face of universal depression and a decreasing demand, which is shown by the fact that imports of manufactured cotton in Canada gradually fell from \$11,301,000 in 1874 to \$6,638,583 in 1879.

In 1879 the Canadian cotton manufacturers saw an opportunity of making extraordinary profit by the operation of the tariff which the Conservative party offered to them, and they grasped it. But at the same time capital which had previously found fair investment in other enterprises turned from the old channels to partake of the inordinate profits which protection held forth to cotton manufacturers. There was a boom for four years and then failures resulting from over-production and over competition. The importation of raw cotton, which had continuously increased since 1872, decreased for the first time in 1884, and by not less than 30 per cent.

Then the combine was formed, production was restricted, some of the mills were closed, and prices were put up so that the consumer might be made to furnish dividends on a large amount of capital which was lying practically idle.

According to the census the capital invested in the cotton industry during the last decade increased by 279 per cent., while the value of the product increased only by 124 per cent., compared with an increase of 381 per cent. during the previous decade.

It is to pay the interest on this uncalled for increase of capital that Canadian consumers pay annually four and a half millions of dollars, under the form of increased prices for cotton goods. As even with this enormous sacrifice on their part the number of people em-

ployed in the cotton industry has not increased as fast as might have been expected if the low tariff had remained in force.

For the last six years the cotton industry has been at a stand still. The manufacturers can not increase their output without exporting, and as protection increases the cost of production even to them, they are not in a favorable position to export.

#### MOVING BACKWARD.

All the textile industries are moving backward, as shown by the importation of raw material. In order to strike a fair average of the imports of raw wool, it is necessary to take two years together; and this is what official statistics show:

	Cwts.
1881-82 .....	176,870
1883-84 .....	159,858
1885-86 .....	197,183
1887-88 .....	204,376
1889-90 .....	195,696
1891-92 .....	180,727
1893-94 .....	176,696

So that for eight years past the quantity of raw material used by the woollen factories has been decreasing steadily, and we have got back to where we were twelve years ago, the production of wool in Canada having also decreased.

The imports of raw cotton fell off from 463,225 cwts. in 1892 to 361,700 cwts. in 1894, and have now reached the lowest figure since 1888. The imports of undressed hemp have fallen to 102,247 cwts., which is just over 25 per cent. less than the average during the last eight years. The imports of crude India rubber and gutta percha have fallen from 21,000 cwts. to 5,188 cwts., which is the lowest figure since 1880—fourteen years ago. The importation of rags of all kinds for the textile industries also shows a steady decrease, and is just one-tenth of what it was in 1888.

It is not a matter for surprise. This result of fifteen years of production simply proves the old rule,

#### "HONESTY IS THE BEST POLICY."

The short sighted and over-ambitious manufacturers have made money during a few years by plundering the masses. But a part of the people got tired of being robbed and sought refuge in emigration. Some day it will be found that those who remain behind have already been so much reduced by the exactions of monopoly that they have nothing left which can be stolen from them.

# WEALTH AND WAGES.

Protection reduces the earning power of Capital and Labor.

Then it takes part of the wages of labor to enrich favorites.

After what precedes as to the progress of manufactures in this country under protection, it is hardly necessary to refer to the question of wages. The protectionist's theory on this point is that protection by increasing the profits of the manufacturer enables him to pay higher wages to his employees. But this theory, were it not contradicted by common sense, could be refuted by the very statistics which the Government has compiled to show the progress of manufactures.

## APPLICATION OF THE PROTECTION THEORY.

As we have shown, the profits of the manufacturer are less to-day than they were twenty-five years ago, as the result of the experiments into which industry has been forced by the restrictions put upon exchange.

A moment's thought will also suffice to show that the theory that a manufacturer will pay higher wages because he is making greater profit is absolutely contrary to common sense. No man would pay high wages just because he is able to do it. As Hon. Mr. Mills said in the American Congress, "Mr. Gould, with his immense income, is able to pay his bootblack \$500 a day, but does he do it? Oh, no; he pays the market price of the street. He gets his boots blacked and pays his nickel like a little man. Mr. Vanderbilt, from the income arising from the interest on the immense amount of bonds of the Federal Government he has got, can afford to pay his hostler \$10 000 a year. He is able to do it: his bonds enable him to do it, but does he do it? Oh, no; he goes out into the market and employs his labor at the market value, and pays the same price that the humblest citizen in New York does."

If protection in itself was sufficient to regulate the rate of wages, then the wages in a certain trade should be the same throughout the country. Every working man knows that wages are

higher in some localities than in others at times, although the tariff is the same from one end of the country to the other.

If it is protection that makes wages increase, then the increase should have been greatest in those industries which were supposed to enjoy the highest protection. Has it been so?

## PROTECTED AND NON-PROTECTED INDUSTRIES.

In the eight protected industries to which reference was made in the preceding chapter the aggregate wages paid increased from \$16,926,275 to \$22,565,883; that is an increase of about 35 per cent.; in the group of eight non-protected industries which were selected for comparison the amount of wages paid increased from \$6 356,773 to \$13,761,198, an increase of 116 per cent., or three times greater than that in the protected industries.

In the highly protected manufactures of sewing machines the wages paid to each fell from \$391 in 1881 to \$329 in 1891, a decrease of 16 per cent. On the other hand in the photographic galleries, which derive no benefit from the tariff, not only did the number of hands employed increase, but the wages of each increased from \$339 in 1881 to \$407 in 1891, an increase of 20 per cent.

Taking it on the whole wages appear to have increased by 60 per cent. faster in the unprotected industries than in those which were to get the direct benefit of protection.

Happily the Conservative Government itself has furnished us with data which enable us to safely measure the influence of protection on wages. In 1884 Sir Leonard Tilley, then Minister of Finance, wishing to impress upon the country the extraordinary benefits of the national policy, entrusted Mr. A. H. Blackeby and Hon. Edward Willis, two enthusiastic partisans of protection, with the task of going around the country to get from the protected manufacturers a statement of their operations in 1878 and

in 1884. The item of wages was naturally included in this enquiry.

Had it been proved that there had been during that period of six years a fair increase in wages, it would not have been a matter for wonder. The year 1878 was one of exceptional depression, due to commercial conditions in foreign countries, while the year 1884 saw the culminating point of the little boom caused by the introduction of the national policy, assisted by a natural reaction.

In view of the facts, it is simply astounding that instead of showing a great and general increase this investigation only showed small and partial increases of wages more than counterbalanced by great and general decreases.

In the cotton industry we see from the statement of Mr. Blackeby that the wages of operatives in cotton mills, which averaged \$20<sup>7</sup>/<sub>9</sub> in 1878, did not exceed \$210.28 in 1884, a paltry increase of 14 cents a week for the employees. In the manufacture of clothing, wages increased from \$226 in 1878 to \$227 in 1884, just 2 cents a week. In the shoe manufactures, the increase of wages amounted to 20 cents a week. In the woollen factories, the increase in wages amounted to \$4.32 a year, or 8 cents a week. In the agricultural implement factories, the increase amounted to a fraction over 10 cents a week. Those were the favored industries in the most prosperous sections of the country. In the Maritime Provinces, where Mr. Willis appears to have made a most thorough investigation, there was a general decrease in wages.

Taking the grand result of the enquiry in over two thousand establishments, by the two commissioners, it was found that the average rate of wages in 1878 was \$323 and in 1884 only \$315 per year, a decrease of \$8.00. We repeat that this was an astounding finding, but it is based on facts as collected by the employees of a protectionist government.

Now, if we consider that the average rate of wages in all industries, according to the census of 1891, is only \$271 per year, the price of Canadian labor does not seem to have improved since 1884. In 1884 Mr. Blackeby put the average rate of wages of the employees of agricultural implement factories at \$396, and the census of 1891 at \$397; in clothing manufactures the wages in 1884 are given at \$227 and in 1891 at only \$20<sup>7</sup>/<sub>9</sub>; in furniture making, the wages were \$376 in 1884 and only \$338 in 1891; in boot and shoe making, \$276 in 1884 and only \$262 in 1891; all according to the same authorities.

## WAGES RISING THE WORLD OVER.

But it is not our purpose to contend that there has not been an increase of wages in many trades. Wages have a tendency to increase the world over. They have increased in free trade England as they have increased elsewhere in Europe. Gladstone has declared in the British Parliament that the wages of the English agricultural laborer increased 15 per cent. during the last twenty years. Mulhall, Tooke and Newark show that wages have notably increased while the price of commodities was falling. The average wages of artisan labor in England are from 43 to 70 pence sterling a day, and in protected France, where articles of food and clothing are dearer, the wages do not exceed 33 to 36 pence sterling.

Comparing 1850 with 1884, Mulhall, in his "History of Prices," shows that there has been a rise of artisans' wages in Europe of 40 to 50 per cent., while the price of food (except meats, butter, and wine) has fallen in the interval. During the same period he shows there has been a rise of 44 per cent. in similar wages in America, accompanied by a like decline in prices of products.

The tariff has no beneficial influence on wages because, whatever may be their fiscal policy, all governments maintain

## ABSOLUTE FREE TRADE IN LABOR.

The price of labor, like that of every other commodity, is regulated by supply and demand. Every working man knows that if there are nine jobs and ten men looking for work the price of wages will come down, because the one man that is left without work will cut prices.

The mere fact that one commodity is scarce and sells at a high price will not cause the price of another commodity to rise. For example, if the crop of potatoes has failed and the demand exceeds the supply, the price of potatoes will go up; but at the same time, if the crop of wheat has been exceedingly large, the price of wheat will go down.

The price of every commodity is regulated by the competition in that particular line. Protection operates to make the prices of certain commodities rise by preventing the importation of those articles, and diminishing competition, but there is no duty on labor, and the Canadian workman must sell his labor at free trade prices. If for a single year wages rose so high in Canada as to make the importation of English laborers profitable, the manufacturer would immediately resort to that means of getting employees and the rate of wages would again come down in Canada to



the level of English wages, all other conditions being considered.

The very fact that European immigration to this country has not been large, despite the efforts of an army of immigration agents, is proof that wages are so low in Canada that it

#### DOES NOT PAY TO IMPORT FOREIGN LABOR.

And so long as there is free trade in labor wages cannot rise in Canada any faster than they rise abroad.

Of course if wages were so low as to be regulated by the amount which it will take to keep a man from absolute starvation, then protection would have some influence on the rate of wages. If it takes 75 cents a day to keep a man from starving in a free trade country, it will take a dollar in a protected country. But in the one case or in the other the lot of the workingman would not be envied, and protectionists are not ready to admit that the starving point is the regulator of wages in this country.

If workingmen believe in protection, let them ask for a duty on labor. They will rapidly find out what monopolists think of that kind of protection.

#### PROTECTION MAY LOWER WAGES.

But if protection cannot cause wages to rise, because it does not even attempt to restrict the importation of foreign labor, it can have a very disastrous influence on wages by the restrictions and the burdens which it imposes on honest industry.

The secret of the rise in wages the world over lies in the construction of railroads and other means of transportation, in the opening up of new territory to the activity of man, and in the invention of new machinery which have increased his producing power. All these things which constitute modern progress have on the one hand opened new fields, given greater opportunities for the employment of labor. Consequently they have had the tendency to decrease competition in the labor market; and that has been the first cause of the increase of wages. Has protection operated in this country to hasten development in this direction?

In the rural districts, by the burden of taxation it has put upon the people, it has made agriculture and all our great industries less profitable; it has driven the people of the country to flock to the cities; and consequently it has had the tendency of increasing the competition in the labor market and of preventing a natural increase in the rate of wages.

On the other hand, modern inventions

contribute to increase wages by increasing the producing power of the people. That nation which produces the greatest value of goods per head will be the richest in the end, and the working people will partake of the general prosperity.

The total wealth produced in Canada every year may be roughly estimated at \$650,000,000. That is an average of about \$650 per family per year. If the production could be increased to double that amount, the people as a whole would be better off.

What has been the influence of protection in this respect? Has it directed the efforts of the people and of capital into the most remunerative channels?

No! We have already shown that it has directed industry into expensive and fruitless experiments or into enterprises where restriction of production is essential to prosperity. It has reduced the efficiency of capital to such a point that it takes to-day twice the amount of money it did in 1837 to produce the same quantity of wealth and to employ the same number of people. It has set our people to work manufacturing on raw materials which must be imported and for which we must pay foreigners, while the raw materials contained in our forest, our mines and our farms receive no attention.

#### PROTECTION REDUCES THE PRODUCTION OF WEALTH.

Let us make a simple comparison.

In the cotton industry, which has been a favorite of protectionists, the raw materials used amount to \$4,200,000 and the value of the finished product is \$8,450,000. In that industry there was \$13,200,000 of capital invested and 8,500 people employed, and as the result of the combined efforts of this vast capital and of this large number of people there was added only \$4,250,000 to the wealth of the country, because the raw material was imported and had to be paid for. Consequently in this protected industry it takes three dollars of capital to produce one dollar of wealth, and the labor of one person during one year only yields \$500 in net products.

In the cheese factories, which sell their products at free trade prices in the markets of the world, the number of hands employed was 1,515 and the capital invested \$2,586,599. The value of the output was \$9,784,288 and that of the raw material used \$6,804,611, leaving a net increase of wealth of \$2,979,677. Every dollar of capital in this industry produced \$1.15 of wealth and every person's labor gave a net product of \$1.897, while every dollar of the seven millions of raw material utilized was produced in the coun-

try and represented money paid to our farmers.

The labor and the capital invested in the cheese industry not only produced three times as much wealth as that placed in the cotton industry, but they utilized the natural resources of the country and gave an immense assistance to agriculture.

Such are the advantages obtainable when capital and labor operate in harmony with the forces of nature. Had not protection turned the attention of our people from the natural resources of the country to the operation of greenhouse industries, every man and woman in Canada could easily have produced

#### FIFTY PER CENT. MORE WEALTH.

Capital would have given employment to more people, the prosperity of the country would have attracted immigration and retained Canadians at home, and national greatness would have been the natural result of natural prosperity.

There is another way through which protection really decreases wages. That is by affecting

#### THE DISTRIBUTION OF WEALTH.

If the total production of wealth by the nation during one year would give to each family \$700 and no more, it follows that every individual which gets more than his share is taking a part of the share of the other individuals. Protection, by enabling the few whom it benefits to ignore competition, which every other class has to sustain, gives them the right to take a tenth or a fifth of the earnings of the masses under the form of increased prices for certain classes of goods. The workingman may still get his eight or his ten dollars a week, but he finds that the purchasing power of those dollars has decreased. He loses just by the amount that the favored capitalists are benefited, he grows poorer as they grow richer.

Thus while it has never formed part of the protective policy to put a duty on the importation of foreign labor, so that the Canadian workingman might be relieved of foreign competition, that policy has reduced his opportunities for producing advantageously, and even takes from him directly a large part of the wealth which he still produces by hard labor to give it to the favored monopolies.

#### THE SAVINGS BANKS DEPOSITS.

Protectionists are fond of pointing to the increase of deposits in the banks as the measure of the increasing wealth of the people.

In 1830 less than two millions of this wealth was registered in the banks of

the country. In 1863 the amount of deposits had swollen to nearly forty millions. During the ten years which followed Confederation the deposits in the savings banks increased by 179 per cent.; during the ten years 1883-93 the increase has not exceeded 56 per cent. In the chartered banks, deposits increased by 110 per cent. from 1863 to 1878; during the ten years of protection, 1883 to 1893, they have increased by only 62 per cent.

If bank deposits are a criterion of wealth

#### FREE TRADERS CAN POINT WITH PRIDE.

to the record.

They could show not only that the rate of increase was greatest in this country under a revenue tariff, but they could make comparison with free trade countries, which would not be to the advantage of Canada. Thus in 1892, in the Australian colonies, the amount of deposits in the savings banks was equal to \$20.64 per head of the population, while in Canada it was only \$8.05. The population of Australasia is somewhat less than that of Canada, yet the number of depositors was 708,509, as against 165,601 in Canada, showing a much more general distribution of wealth. In the United Kingdom the amount on deposit in the savings banks amounted to \$13.92 per head of population, and the number of depositors was not less than 5,800,473.

#### THE DEBTS OF CANADIANS.

Now to complete the statistics as to Canadian banks it is necessary to say that the discounts, or loans, have increased from \$102,166,115 in 1880 to \$205,623,042 in 1893. While the loans of the people to the banks increased by \$89,000,000, the loans of the banks to the business community have increased by \$103,000,000, so that there appears to have been a decrease of money in the country at large rather than an increase under protection.

The conditions of the banks themselves is not an indication of increasing wealth. In 1879 their assets were \$173,518,490 and their liabilities \$96,760,113; in 1893 the assets were \$302,696,715 and the liabilities \$217,195,975. The increase in liabilities has been 124 per cent., while the increase in assets has been only 74 per cent.

An interesting feature of the census would have been to get a record of the mortgages on real estate. But protectionist governments here and elsewhere have never dared to investigate the subject. We have only the reports of the loan and building societies, and these show that the total loans made by these societies, nearly all secured by mortgages

on real estate, amounted to \$35,675,687 in 1879 and to \$113,659,640 in 1892, an increase of over two hundred per cent. in thirteen years.

#### ARE MORTGAGES A PROOF OF WEALTH?

Over half of the money loaned by these companies comes from free trade England. Is that a sign of the poverty of the Old Country?

Some will say, "These mortgages were given by workmen who wished to acquire their homes, or by farm hands who wished to buy a farm. But it is the contrary that is true. Farmers who formerly owned their farms have been dispossessed by the holders of mortgages and forced to become tenants. The proof is in the census which shows that in 1881 877 out of every thousand occupier of land was the proprietor, while in 1891 there were only 831 proprietors out of a thousand occupiers. The number of tenants increased by 62 per cent., while the number of proprietors increased only by 31 per cent.

Protection is concentrating not only capital, but land also in the hands of the few, making the poor poorer and the rich richer.

#### AS TO PAUPERISM.

Protectionists never cease to repeat that in England one out of every forty inhabitants receives state assistance, as a proof of the poverty of the people. So far as that may be an argument against free trade it is a sufficient answer to say that in protective Germany one in every twenty-nine inhabitants is likewise a pauper.

Here in Canada the Government does not bother itself with assisting the poor, so that there can be no State paupers. It is not encouraging to know, however, that the inmates of the asylums, hospitals, penitentiaries and reform schools increased by 27 per cent. during the last decade, while the population of the country increased by only 11 per cent.

In the city of Montreal the St. Vincent de Paul Societies alone had to assist 6,500 persons in 1893 and 8,000 in 1894, out of a Catholic population of less than two hundred thousand. That alone would show one pauper out of every twenty-five persons in the metropolis of Canada.

Are not this decrease in morality and this increase in pauperism the natural result of protection, which drives the people from the country into the slums of large cities? Finally the census gives us

#### A SUPREME TEST

of the prosperity of the country at large, when it gives us the figures of popula-

tion. Increasing population in a country possessing the extent of territory that Canada possesses is at once a sign and a cause of prosperity.

It is a sign of prosperity because the masses, who are the best judges of their condition, will flock where they can get the greatest advantages. The people may labor under illusions for a few months, but in the course of years they find out which is the place which offers to them the greatest inducements. If a Canadian goes to the United States and does not find himself better off than at home he will not remain there long, nor will he invite others to follow him. If an Englishman comes to Canada and finds prosperity he will not only remain here but he will invite others to join him. So that the growth of population becomes the most reliable sign of the prosperity of a country compared to that of other nations.

In turn the increase of population becomes a cause of prosperity because it will increase the value of real estate, give a greater market to industry and a wider field to commerce. Every immigrant who comes to the country to remain increases the demand for land, for houses, for clothing and for food, while he will contribute by his labor to develop the resources of the country. On the other hand, every man who leaves the country contributes to decrease the value of property and the volume of trade. The country loses a laborer and a consumer at the same time, or it gains one as population increases or decreases. Our railways, which employ 25,000 men, and which could employ twice that number, will never be in a prosperous condition until the population along the lines becomes dense enough to give a large volume of traffic. The industries, whether they are protected or not, cannot grow faster than the population, because upon the population they must depend for hands as well as for a market. It is the increase of population which, by enabling the industries to produce in large quantities, will enable them to produce cheaply and advantageously for themselves and for the people.

What has been the effect of protection, judged by this standard, and what has it done

#### TO INCREASE POPULATION?

During the decade from 1871 to 1881 the population of Canada increased by 17 per cent., during the decade of 1881-91 it increased less than 10 per cent.

Now this decrease might be due in part to some external cause. It might be that European countries were so prosperous that they did not send immigrants to Canada. But an enquiry into the facts proves the contrary. According to the official statistics of the Ottawa Govern-

ment not less than 800,000 immigrants arrived in Canada with the intention of settling here during the ten years from 1881 to 1891, while during the previous decade the immigration did not reach 350,000.

The population

#### SHOULD HAVE INCREASED TWICE FASTER.

during the last ten years than during the decade of low tariff, owing to this immigration.

But protection had imposed such a burden on the farmer that these immigrants, after reaching Canada, could not see their way clear to take land here, and they only passed through the country.

More than that. Thousands of native Canadians followed the path of these immigrants. The exodus of Canadians is not a matter of yesterday. It is a regrettable fact that it has been going on for a half century.

#### THE EXODUS SHOULD STOP.

But there are reasons why it should not continue. The Canadians who left the country twenty years ago were attracted to the States by the exceedingly high wages, by the extraordinary demand for labor which existed after the war. Others left to take up the rich lands of Illinois and Minnesota.

To-day conditions have changed. The United States no longer offer the same inducements, and here in Canada we have built colonization roads and trans-continental railways, so that any man who wants land may reach it easily.

These are causes which have operated to decrease the exodus. The protectionists themselves did not think it would be impossible to stop it altogether. They promised to stop it. "Canada for the Canadians" was the battle cry.

Have they kept their pledge?

Never before had the emigration of Canadians been so great as during the past decade. Their policy, far from assisting the natural forces which were operating to decrease the exodus, has rendered their effect null.

#### EMIGRATION FROM CANADA.

We have a very safe and reliable way of figuring the numbers of Canadians who leave Canada every year for the United States in excess of those who return to Canada.

In 1870 the number of native Canadians in the United States was 494,000, in 1880 it was 717,000, and in 1890, 981,000. The apparent increase was 233,000 during the first decade, and 26,000 during the last decade. This alone would show that

emigration from Canada was greater under protection than before.

But to have a precise idea of the increase of emigration we must remember that every Canadian who died in the States made room for a Canadian from Canada without increase in the total number of Canadians living under the Republic. In other words the gaps caused by death in the ranks of the Canadian exiles had to be filled by fresh emigrants from Canada before the American census would show an increase in the number of living Canadian-born citizens.

These deaths, of course, become more numerous as the Canadian-American population increased. Placing the death rate at 25 per thousand which is a low estimate for a population working mostly in factories and living in very unhealthy conditions, we find that the losses caused by death among these Canadian-Americans would be 151,000 during the first decade, and 212,000 during the last one. These numbers must be added to the numerical increase of Canadians in the United to get a correct idea of the emigration of native Canadians from Canada. A simple addition will show that the number of Canadians who left the country in excess of the number who returned, was not less than 476,000, as against only 374,000 during the previous decade.

#### AN INCREASE OF 27 PER CENT.

In the number of native Canadians who leave the country every year is one of the most serious charges which can be laid against the regime of protection.

It is a loss which is unexampled in the history of any country as well as in the annals of Canada. The emigration of natives from England and Wales in 1893 was only 134,302. The annual emigration from Canada represents about one per cent. of the population. In England it represents only one half of one per cent. Sweden has been known for some years as one of the countries which are suffering the greatest losses through emigration. It has to support a population equal to that of Canada on one twentieth of the territory; yet the number of Swede emigrants does not average 35,000 a year against 47,000 for Canada. While the number of Canadians in the United States increased by 263,781, the number of native Irishmen increased only by 17,000, the number of Austrians by only 84,000, that of Danes by only 68,000, that of Italians by 138,000 and that of Russians, including the Jews which were expelled by force, did not increase by over 145,000.

The position to which Canada has fallen under protection, we repeat, is altogether

## UNPRECEDENTED IN THE HISTORY

of the country. Since the beginning of this century the development of Canada had always been more rapid than that of the neighboring States.

Dr. Ferguson, M.P., in 1888 made a speech in favor of protection in which he pointed with pride to the superior increase in the population of Canada. He said: Notwithstanding the cries about the exodus, the population of Prince Edward Island increased 15.3-4 per cent. between 1871 and 1881. During the same period Nova Scotia increased 13 per cent., New Brunswick 12 per cent., while the Maritime Provinces, as a whole, increased 15.1-4 per cent. The State of Maine, from 1870 to 1880, increased in population only 3 per cent.

The New England States, as a whole, increased 14.1-2 per cent., compared with the increase in the Maritime Provinces of 15.1-4 per cent. The State of New York, from 1870 to 1880, increased 15 per cent., while the Province of Ontario, from 1871 to 1881, had increased 18.3-4 per cent. Manitoba, from 1871 to 1881, increased in population 247 per cent., while Minnesota, lying south, from 1870 to 1880 had only increased 77.1-2 per cent.

Dr. Ferguson, protectionist though he may be, could no longer draw these hopeful comparisons since the last census has demonstrated the result of protection.

In the New England States the rate of increase during the decade 1880-90 has gone up from 14 to 17 per cent.; but in the Maritime Provinces, under the influence of protection, the rate of increase has fallen from 16 to a bare one per cent. The rate of increase in the State of New York has gone up from 15 to 18 per cent.; but in the Province of Ontario it has fallen from 18 to 10 per cent. Minnesota has continued to increase at the rate of 66 per cent., which means a gain of 521,000 inhabitants, while the rate of increase in Manitoba has fallen from 247 to 116 per cent., the numerical gain being only 86,000 inhabitants. In North Dakota the rate of

increase was 395 per cent., and the numerical gain not less than 145,000.

## THESE COMPARISONS ARE MADE Sadder

when we remember that these States have grown largely through the access of Canadians. In 1892 and in 1893 over two millions of dollars of household goods, the property of Canadian emigrants, have left the country. The emigrants preferred to pay the freight and take the goods with them, because among those they left behind them they found no one able to buy.

It is the youth, the hope of the country, which protection has driven to work for a foreign nation.

When we look at the ages of the people, recorded in the census, we find that the increase of population has been only 10 per cent. among those less than 25 years of age, against an increase of 15 per cent. among those over that age.

There has been an actual decrease in the number of children under one year of age during the last ten years. The birth rate has largely decreased in every province. The greatest increase has been among people over fifty years of age.

In 1881 the people over 45 years of age formed only 7.89 per cent. of the population; in 1891 they formed 8.36 per cent. The country is becoming a

## COMMUNITY OF THE OLD AND INFIRM

who have no hope for the future, who bring up no more children, and who ask nothing but to die in peace.

Is that the effect of prosperity, or is it a hopeful sign in a young country? It is not belittling Canada to say that such an unnatural state of affairs can only be explained by the fact that Canada is governed by little men with little minds, whose idea of a national policy is to enrich a handful of their friends.

# CONCLUSIONS.

For the readers who have weighed carefully the facts reported in the preceding pages, it is not necessary to insist on the conclusions. They are self-evident. There is not one single branch of industry or commerce which has grown with greater speed under protection than during the years of low tariff and of reciprocity, while a great number

of industries have been positively destroyed. The unusual efforts made to open up new fields, to attract immigration, to keep Canadians at home, to give new markets to the farmer, by means of subsidies and bonuses, have been rendered completely fruitless by a policy of exaction and of taxation which has discouraged the most manly elements of our



population. To-day we are left with an enormous debt, with large interests to pay, and with nothing to reward us for our sacrifices.

A change is absolutely necessary. There can be no mistake about that point. Everybody feels the necessity of relief from the burdens of taxation. The demand is universal; it is heard in every public gathering, whether for municipal, provincial or federal affairs.

The party now in power has itself been compelled to recognize the popular clamor for a reduction of taxes. But the efforts of Conservative statesmen to meet this demand have shown that the issue now involved in the tariff is more than a mere question of dollars and cents; their failure to accomplish anything has proven that the people of Canada have really lost the power to tax themselves so long as the present combination remains in power. After sixteen years of protection private interests are so strongly entrenched in the tariff, and have so overgrown national considerations, that they regard it as their exclusive domain and resent the intrusion of the people as that of trespassers.

When the Hon. Mr. Foster had to do something in the way of revising the tariff to satisfy public opinion, he came first before Parliament not with a bill to reduce the people's taxes, but with a set argument that he, the people's representative, was unable to frame such a bill until he had gone all around the country to consult the protected monopolies. He did as he had said. Every change in the tariff which did not suit these monopolies was withdrawn, even after they had been submitted to the House, and the country was left in a worse position than before.

The Conservative revision of the tariff was the embodiment of the principle of protection, which is that customs duties are not levied for the benefit of the Government, but for that of the protected industries. There is nothing in the world that so vexes the soul of a genuine protectionist as a tax that goes into the public treasury. If he cannot devise a law by which to transfer a large part of it from the pockets of the man who earned it to the pocket of somebody who did not earn it, he never rests satisfied until he has wiped it from the statute book. That is not a misrepresentation. Hon. Mr. Foster himself in his budget speech declared: "The difference between a revenue tariff and a protective tariff is

not that there may not be in both an incidental protection, but that in a purely revenue tariff that protection is simply incidental and not designed; whilst in a protective tariff it is designed to be a protection, and is put upon the statute book for that purpose."

With such views in mind the Conservative party so manipulated the tariff that the rate of protection to their friends, the monopolies and combines, were not reduced one per cent., while the revenues of the Government were reduced by several millions of dollars.

At the same time schemes of every description for extravagant and useless expenditure of public money have been brought forward to empty the public chest as fast as the unnecessary taxation could fill it, in order that the electorate might be bribed and the taxes fastened on the people.

That has been and that only can be the policy of the Conservative party. Privilege fattens with what has raised it, and it is ever assuming a higher tone. The kings of old were unable to protect the people against the cruelty of the barons whom they had made powerful. The Conservative party cannot be expected to give relief from the exactions of the industrial barons whom their policy has raised and from whom they have received subscriptions for their election funds. The two are accomplices and show it by their attitude.

The time was when the test of loyalty to the country was devotion to its public institutions and to the freedom of the people. To-day the Conservative leaders and the organs of the combines have set up another test. Men who could stand up before the world as the foremost representatives of Canadian intelligence and of integrity in public life are denounced as traitors because they have refused to bow down before the fetish of protection. The powers of wealth and combination, of monopoly in all its odious and defiant forms, have formed in lynx phalanx around the system which enables to rule and to ruin.

The Liberal party has gone into the fight knowing well the conditions. The people must realize the greatness of the stake. All that we can hope for the future greatness of Canada hangs upon the issue. The choice lies between the men who are bound by their past record to protect all existing abuses and the men who under the leadership of Laurier have declared that the law of the land should guarantee equal rights to all, privileges for none.

Electors, read and think!